



Daily Report

East Europe

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CSCE Delegates Observe USSR-GDR Exercise
*LD2807173988 East Berlin ADN International Service
in German 1405 GMT 28 Jul 88*

[Text] Potsdam, 28 Jul ADN—The joint exercise of the Group of Soviet Forces in Germany [GSFG] and the NVA of the GDR, led by Lieutenant General Aleksandr Chumakov, commander of one of the GSFG armies, entered its decisive phase on Thursday. The "defenders" have carried out active reconnaissance over the past few hours, regrouped their forces and made further preparations to restore the status quo with a counterattack. After the "blue" side brought up a motorized infantry regiment, initially deployed it, and introduced it in the sector of attack, dogged fighting took place during the course of the day. The close and precise coordination of forces, weapons types and services was impressive.

Observers from 20 CSCE member states once again followed proceedings on the 5th day of the exercise. They were briefed on the situation at the Jueterbog troop exercise grounds this morning.

Soviet tank troops of Lieutenant Colonel Pilgy's regiment, supported by motorized infantry, artillery, pioneers, and air power, halted the enemy attack and consolidated the defensive positions.

An armored battalion from the Leo Jogiches Regiment of the NVA also demonstrated their sound standard of training during the course of the day. In this unit's sector foreign observers inspected the well-constructed positions and spoke with NVA members. The soldiers had been preparing purposefully with political and combat training for the test. In tank driving instruction, for example, they achieved top marks. The commanding

officer, Captain Andre Schittko, stressed that it was a matter of achieving excellent results on the battlefield together with the comrades in arms. This was important in the struggle to make top grades and testified to the firm determination of the soldiers of the people to reliably fulfill the class task.

The representatives of the CSCE countries also viewed a regimental field dressing station and a field bakery, where they talked with soldiers.

Polish Delegate Addresses Geneva Conference
*LD2807222288 Warsaw PAP in English
2103 GMT 28 JUL 88*

[By PAP Correspondent Edward Dylawski]

[Text] Geneva, July 28—The communique on the meeting in Warsaw on July 15th-16th of the Warsaw Treaty's Political Consultative Committee (PCC), the statement adopted during the meeting on negotiations on the reduction of armed forces and conventional armaments in Europe as well as the text pertaining to the impact of the arms race on the natural environment and other aspects of ecological security were distributed among the participants of the Geneva Disarmament Conference of 40 states as conference documents.

In connection with this an address was delivered to the conference by the head of the Polish delegation, Ambassador Bogumil Sujka, who said that the documents contained a programme of concrete activities aimed at preventing war, achieving detente, disarmament and the development of wide and mutually beneficial cooperation in Europe and the world.

Malile Receives Swiss Parliamentary Delegation
AU2607185788 Tirana Domestic Service in Albanian
1800 GMT 26 Jul 88

[Text] Minister of Foreign Affairs Reis Malile met the Swiss parliamentary delegation led by Rodolf Raichling, chairman of the National Council of the Swiss Confederation, and Franco Massoni, chairman of the States' Council, and had a friendly and warm talk with them. They discussed the friendly relations and cooperation that exist between Albania and Switzerland, and their further development in fields of mutual interest. They also discussed and exchanged opinions about various aspects of the current situation in Europe and in the Balkans, as well as about the position of the People's Socialist Republic of Albania in favor of strengthening understanding and cooperation between the Balkan countries, and peace and security in our region and beyond.

Today, Jovan Bardhi, minister of the food industry, also had a warm meeting with the Swiss parliamentary delegation. Both sides expressed their appreciation for the cooperation between Albania and Switzerland in various branches of the economy, and discussed possibilities for further extending this cooperation, particularly in the food industry sectors. The Swiss guests were also briefed about the development of the food industry in our country.

61st Hoxha Volume on Sale, Covers CPC Ties
AU2307185688 Tirana Domestic Service in Albanian
1800 GMT 23 Jul 88

[Text] The sixty-first volume of Comrade Enver Hoxha's works has come off the presses and is now on sale. This volume includes materials spanning the period March-June 1977, some of which are published for the first time. The pages of this volume reflect the efforts of the communists and of the masses to implement the party's decisions and directives. The various materials deal with problems pertaining to economic policy, propaganda, management, the country's defense, and some questions concerning relations between the AWP and the CPC.

This volume includes the speech delivered at the second AWP Central Committee plenum, as well as discussions with cadres and working people in Vlore and Lushnje Districts. This volume also includes Comrade Enver Hoxha's speeches at the meeting of the AWP Central Committee Politburo: "Let Us Adopt Further Measures To Strengthen Work and Control," "The Sharp Sword of the Dictatorship of the Proletariat Has Fallen on the Enemies, Who Received Their Deserved Punishment," and so forth.

The volume includes an index.

Pardon Appeals Called 'Liberalism,' 'Cronyism'
AU2007141188 Tirana ZERI 1 POPULLIT in Albanian
16 Jul 88 p 3

[Article by Xhemal Lamcellari, of the Durres District People's Court: "Humanism or Liberalism?"]

[Text] In August last year, in front of the masses of vacationers on Durres beach, Theofan Qendro and Kleanthi Cavo were tried for a penal offense. Outraged public opinion, with scorn and disgust, condemned the act of the two, who committed a vile deed without the slightest motive. Yet hardly a day later, the city district where they live lodged an appeal for pardon to the Tirana District People's Council Executive Committee, signed by Iljaz Dufi of Block 21 in the First District and Sadik Muca of Block 7 in the Ninth District. The Executive Committee persuaded them that there were no grounds for an appeal, and they withdrew their petition on 23 April, 1988. Amazingly, these very same people renewed their appeal to the Executive Committee a few days later, arguing that "Those convicted come from good families. They have behaved well at work and in society...."

We will not pause to analyze the competences of state bodies and mass organizations, for these are well-known. It is the right of people to submit appeals to whatever authority they think fit, and the law permits it. But nobody has the right to abuse this right.

It is true that special bodies prosecute, try, and sentence in the name of the people, but in every case the trial is carried out in accordance with the party line and the interests of the people, and incorporates the views of the party base organization, and of the organizations of the Democratic Front, the workplaces or collectives where he who has erred is employed, and the people's council of the city district or village. Their part in the trial is evident not only in their direct participation, but in their submission of character references or assessments of work or behavior, moral and political attitude, or background.

Returning to the example at the start of this article, even though the mass organizations, under the law "On Pardons," do in fact have the right to submit an appeal, they must not step outside the bounds of reasonableness or the interests of society, because this harms the general interest.

Let us argue as follows: When appeals are ill-considered, there can be no moral justification for the exercise of this legal right. Hardly has a sentence begun to be served, than the competent authority is asked to issue a "pardon." There is a whiff of liberalism and cronyism about such procedures, and all the more so when the matter assumes a negative direction, and the culprit is told, "Even if you are sentenced, I will intervene and save you." This evil is followed by another one: The appeals we mentioned were improperly sent to the

District People's Council Executive Committees and to the Presidium of the People's Assembly. Experience shows that these bodies find such appeals to be groundless in no few cases.

Taking the argument further, we would say that such appeals are in essence retrials. Retrials are possible, but only when there has been a change of circumstances. Trials of trials must not be allowed to happen, for the judicial organs, as powerful instruments of the party and of the dictatorship of the proletariat, are not merely specialized bodies, but are just as party-minded and objective when they give a verdict as are the mass organizations and their organs. Only when circumstances change after a verdict has been given can appeals be submitted to the relevant body under the above-mentioned law. But what new circumstances can suddenly emerge which mean that someone or other should be pardoned for no logical reason? Such cases arise in practice. The Democratic Front Presidium of Durres Sixth District lodged a petition for the pardon of Lirim Hima, sentenced to 6 years deprivation of freedom, before he had served the first year of his sentence. We believe that liberalism, cronyism, unhealthy forms of friendship, and interventions had their part to play in this case, under the name of the Democratic Front organization. "It is ridiculous," said Avdyll Xhaja, spokesman for the organizational section of the Tirana District People's Council Executive Committee, "that, even when the Presidium of the People's Assembly has refused an appeal, it is resubmitted within a year and refused again."

The correct implementation of the law "On Pardons" demands care and a party-minded attitude, especially in the cooperation of the executive committees with the managing bodies of the mass organizations, the courts, and the prosecutors, who survey the nature of each case and implement this law. The sentence pronounced by the court in the name of the people, and the right of pardon exercised by the Presidium of the People's Assembly, as a high authority of the people's state, serve to defend and reinforce our socialist order. So, they themselves embody socialist humanism, and there is no reason why anyone else should show himself to be more "humane."

The law "On Pardons" recognizes the right of petition of all mass organizations. Another problem emerges in this context: Hitherto, there has not been a single appeal of this kind from the youth or women's organizations. The entire burden falls on the Democratic Front.

Economic Progress Report for 17-23 Jul

AU2307190588 [Editorial Report] Tirana Domestic Service in Albanian in its transmissions between 17-23 July carries the following economic performance reports (time and date of transmission in parentheses):

Durres District: Fifty-three collectives report having fulfilled or overfulfilled their plans to 15 July. (1800 GMT 19 July)

Gjirokaster District: The general industrial production plan to 15 July was overfulfilled by 2 percent. (1800 GMT 17 July)

Kolonje District: The general industrial production plan to 15 July was exceeded by 2.5 million leks. (1800 GMT 17 July)

Kruje District: The Lac Metallurgical-Chemical Combine has overfulfilled its plan by 7.5 million leks. (1800 GMT 19 July)

Kukes District: The general industrial production plan was exceeded by 3 percent, with excess production worth 4.8 million leks. (1800 GMT 20 July)

Lezhe District: The general industrial production plan to 15 July has been exceeded by over 700,000 leks. (1800 GMT 20 July)

Pogradec District: The overall industrial production plan was overfulfilled by 6.6 million leks. (1800 GMT 17 July)

Sarande District: The industrial production plan to 15 July was overfulfilled by more than 10 million leks. The district also reports some financial indicators: The centralized state income was exceeded by 11 percent; the net income of enterprises was exceeded by 2.5 percent; and the cost reduction target was exceeded by 800,000 leks. (1800 GMT 21 July)

Skrapar District: The industrial production plan to 15 July was prefulfilled by 3 days. (1330 GMT 22 July)

Tepelene District: The industrial production plan to 20 July was overfulfilled by 3.4 million leks. (1330 GMT 22 July)

Technical Cooperation Agreement Signed With PPR
AU1207163888 Sofia RABOTNICHESKO DELO
in Bulgarian 8 Jul 88 p 2

[Text] A meeting held on 7 July between a delegation of the Ministry of Industry of Poland and the leadership of the Biotechnological and Chemical Industry Association examined issues concerning further developing and intensifying the cooperation between the two countries in the biotechnical and chemical industry field. The two countries' efforts will be aimed at utilizing qualitatively new forms of technological, engineering, investment, resources, and market cooperation.

Petko Danchev, chairman of the Biotechnological and Chemical Industry Association, and Andrzej Wroblewski, deputy minister and leader of the delegation from the Ministry of Industry of the PPR, signed a program for economic, technological, scientific-technical, investment and market cooperation through the year 2005. To promote long-term cooperation in the field of raw material provision for the complexes and to ensure more varied and plentiful consumer goods, direct links are to be established between marketing and supply organizations of the two countries, and the creation of a mixed Bulgarian-Polish organization is planned.

A protocol was also signed between the "Khiminvest" Economic Trust and the "Metalchem" Association to set up a joint Bulgarian-Polish trust for the construction of complete installations for the chemical industry.

Ferrous Resources Agreement Signed With USSR
AU2207091588 Sofia BTA in English
0731 GMT 22 Jul 88

[Text] Sofia, July 22 (BTA)—Talks were held yesterday between Mr. Konstantin Katushev, minister of foreign economic relations of the USSR, and Mr. Andrey Lukanov, minister of foreign economic relations of Bulgaria. They discussed questions of the trade-economic cooperation between the two countries.

Governmental agreement was signed for Bulgaria's participation in the construction of the Krivoy Rog fluotation [as received] combined works. With the realization of that long-term agreement Bulgaria's needs of ferrous containing resources will be satisfied.

The agreement was signed by Mr. Konstantin Katushev, Mr. Serafim Kolpakov, minister of ferrous metallurgy of the USSR, and by Mr. Andrey Lukanov.

Economic Cooperation Protocol Signed With Italy
AU1907153988 Sofia BTA in English
1457 GMT 19 Jul 88

[Text] Sofia, July 19 (BTA)—Bulgaria and Italy will develop modern forms of economic cooperation. Consortiums comprising banks, engineering and industrial

organizations of the two countries could realize projects for the all-round updating and perfection of branch complexes in chemistry and petrochemistry, pharmacy, metallurgy, the food and the light industries, mechanical engineering and electronics. The newly established duty free zones in Bulgaria also present possibilities for making more substantial investments and for joint activities with foreign participation. According to the protocol signed here at the 15th session of the Bulgaro-Italian Commission for Economic, Industrial and Technical Cooperation, the negotiations for signing intergovernmental agreements for avoiding double taxation and for the mutual protection and encouragement of investments were also successful.

The general agreements for cooperation which have been signed between Bulgaria and the Italian industrial groupings of IRI [Istituto Nazionale per la Ricostruzione Industriale], Montedison, ENI [Ente Nazionale Idrocarburi], and Fiat are also playing a positive role in bilateral trade and economic relations. In Italy there have been opened six joint societies. Contracts are being fulfilled and projects are being discussed for the trade and industrial cooperation between Bulgarian economic organizations and the Italian firms of Pirelli, Dea, Olivetti and Carlex.

The protocol of the 15th session was signed today by Mr. Vladimir Lambrev, deputy minister at the ministry of foreign economic relations of Bulgaria, and by Mr. Gilberto Banalumi, first deputy minister of foreign affairs of Italy.

EEC-CEMA Cooperation Chances Analyzed
AU2707121388 Sofia RABOTNICHESKO DELO
in Bulgarian 26 Jul 88 p 4

[Article by Candidate of Economic Sciences Marin Todorov: "The Goal Is To Achieve Dynamic, Mutually Advantageous Relations"]

[Excerpts] The question pertaining to relations between CEMA and the EEC, which are the two largest integrated economic communities not only in Europe, but worldwide, has always been an interesting one for political and business circles.

The signing of a Joint Declaration on the establishment of official relations between these two organizations, which took place on 25 June 1988 in Luxembourg, was welcomed with exceptionally great attention and continues to be the subject of lively debates, comments, and evaluations today.

The opinion is unanimous that this declaration represents an important document which ended an anachronism in contemporary international relations. Following the initial "euphoric enthusiasm," however, the question about the real effect that will be exerted by the declaration that was signed and the question of the future

prospects of the entire complex of relations between CEMA and the EEC, and particularly the question about the future of their economic relations, in general, was raised.

First, we should point out that the Joint Declaration represents a legal basis for the normalization of mutual cooperation between the two communities, a first step for the expansion of relations based on equal rights and mutual advantage between the member countries of the two integration groups in accordance with their real scientific-technical, production, and market potentials. [passage omitted]

The signing of the declaration has opened up some basic opportunities for a substantial improvement of economic cooperation between CEMA and the EEC. The exchange of economic and statistical information between the organs of the two organizations will presumably be considerably intensified in the near future. Joint analyses and forecasts of common interest in the economic sector are expected to be developed.

The prospects of a timely establishment of official relations between the individual CEMA and EEC member countries are favorable. This would contribute to the signing of bilateral trade contracts, or agreements on economic cooperation. It is important in connection with conducting such negotiations to eliminate various barriers obstructing mutual cooperation, some of which are of a discriminatory nature and are applied by the EEC today. Representatives of the Common Market have already admitted the need for this requirement. On the occasion of the signing of the Joint Declaration Hans Dietrich Genscher as chairman of the EEC Council, declared that the "community intends to eliminate all economic and technological barriers existing on our continent."

The specific steps for multilateral cooperation between the CEMA and EEC member countries in extensive economic spheres are awaited with particular interest. Real prospects for joint projects in the ecological, transportation, and power supply sectors and, in the standardization and unification of products exist. Particular hopes are placed on the opportunities of effective scientific-technical cooperation. [passage omitted]

Our country completely supports the positive changes in the political relations between the two integration communities. The readiness of our country to establish diplomatic relations with the EEC, which was expressed in mid-June 1988, is an eloquent example of Bulgaria's active and constructive stand on this matter. The expansion of economic cooperation based on equal rights and mutual advantage with the EEC member countries, who are our country's chief foreign trade partners among the developed capitalist countries, represents an important factor in the further consolidation of peaceful coexistence in East-West relations.

Stanishev Receives Israeli CP Official Khenin
AU2807192988 Sofia Domestic Service in Bulgarian
1900 GMT 28 Jul 88

[Text] On 28 July, Comrade Dimitur Stanishev received David Khenin, member of the Central Committee Politburo of the Communist Party of Israel and Central Committee secretary, who is vacationing in Bulgaria. The guest was briefed in detail on the profound transformations in all areas of life, which are taking place in Bulgaria on the basis of the July Concept. In this context, the role of the recent BCP Central Committee plenum on restructuring the intellectual sphere was pointed out.

Dimitur Stanishev again emphasized our country's principled position on solving the Middle East conflict by convening an international conference with the participation of the permanent members of the UN Security Council and all interested sides, including the PLO.

David Khenin briefed Comrade Dimitur Stanishev on the activity of the Israeli Communists in increasing the party's influence on the country's sociopolitical life.

National Assembly Session Opens 28 Jul

Todorov Chairs, Zhivkov Attends
AU2807123888 Sofia BTA in English
1230 GMT 28 Jul 88

[Text] Sofia, July 28 (BTA)—At the National Assembly session which opened here today, the Bulgarian M.P.s will have on their agenda an international trade arbitration bill, a bill on the liability of the state for damage caused to citizens, a bill endorsing executive decrees and a motion on the endorsement of a decree on a change in the composition of the Council of Ministers.

The proceedings are presided over by Mr Stanko Todorov, chairman of the National Assembly. Mr Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, is attending the session.

Zhivkov Calls For Judicial Reform
AU2807181088 Sofia BTA in English
1723 GMT 28 Jul 88

[Text] Sofia, July 28 (BTA)—The reform of the legal system underway in Bulgaria is intended to promote socialist democracy and to build Bulgaria as an advanced state committed to the rule of law.

Mr Ivan Velinov, president of Bulgaria's Supreme Court, addressed today the National Assembly session debate on the bill on the liability of the state for damage caused to citizens. He pointed out that under the new conditions, the laws should help self-government fulfil and promote its functions and should guarantee citizens a most extensive range of rights and freedoms in the spirit of socialist democracy. "The restructuring in this country requires that the question of citizens' rights and

freedoms be brought to the fore in the entire legal, political and ideological work," he emphasized. One of the principal ideas of restructuring in the judiciary is to guarantee the protection of citizens' rights against any encroachments. Reliable safeguards are needed against bureaucratic arbitrariness.

The statements and the motivation of the bill stress the fact that the suggested legal framework is more adequate and fairer than the one currently in force. It provides conditions for citizens to sue the state for damages inflicted on them through wrongful acts, unlawful actions or culpable omissions committed by state bodies and civil servants in two spheres of state activity: first, in the process of and in connection with the management of public affairs by the state administration and, secondly, in the operation of the law enforcement agencies: the investigative authorities, the prosecutor's offices, the law courts and the bodies vested with special jurisdictions.

The effectiveness of the bill derives from its provision that the state is liable for all tangible and intangible damage caused, irrespective of whether it is inflicted intentionally or otherwise by a civil servant. The state is liable for the damage caused by all unlawful acts, actions or omissions committed by the state administration.

Mr Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, also took the floor during the debate on this item of the agenda. He emphasized that the restructuring of the economic and the intellectual sphere underway in this country calls for a reform of the judicial system, too, which should be brought into line with the new requirements. He spoke about the need for revolutionary changes in the legal superstructure as a sine qua non for change in all other spheres of public life.

Trade Arbitration Bill Debated

AU2807175088 Sofia BTA in English
1703 GMT 28 Jul 88

[Text] Sofia, July 28 (BTA)—At the session of the National Assembly which has started here today the M.P.s are debating an international trade arbitration bill. The motives for the bill and the statements of the parliamentarists stress Bulgaria's desire to develop equitable and mutually advantageous trade-economic and techno-scientific relations with all states, to realize active cultural exchange. The bill introduced for discussion corresponds to the processes of restructuring underway in Bulgaria, to the international obligations undertaken by this country and it will fill a gap in the national legislation.

Ms. Svetla Daskalova, minister of justice, spoke about the new broad opportunities for cooperation with the other states provided by the bill. It was noted that the normative document corresponds to the international standards for trade arbitration. The bill is based on the model of law for international trade arbitration adopted

by the United Nation's Commission on International Trade Law [UNCITRAL], in 1985. Bulgaria is among the first countries which adopt such law in accordance with the UNCITRAL model.

The deputies pointed out that the bill will regulate the questions of international trade arbitration, the disputes between Bulgarian economic organizations and foreign companies non-members of the C.M.E.A. The disputes between economic organizations from the C.M.E.A. member states will be regulated as it has been until now in accordance with the convention on these questions adopted in 1972.

The bill provides considerable freedom to the parties in the dispute. They can select the procedure of the hearing, the proofs corroborating their claims, the place of the hearing, the language of the arbitration session. The interference of the state is limited and it is admitted to take part only in interest of the disputing sides. There is also possibility that when the arbitration takes place in Bulgaria foreign citizens can take part in the arbitration panel.

The deputies motioned a decree for changes in the Council of Ministers with which the ex-Minister of Trade Mr. Khristo Khristov is appointed as first deputy minister of foreign economic relations, ranking as minister.

Assembly Commission Discusses Production Quality

AU2107122488 Sofia BTA in English
1141 GMT 21 Jul 88

["For Better Quality Products"—BTA headline]

[Text] Sofia, July 21 (BTA)—Bulgarian M.P.s today discussed a wide range of questions concerning the improvement of quality of the output to bring it into line with the requirements of the home and the international market.

The national representatives attending a meeting of the National Assembly Standing Commission on Socioeconomic Development emphasized that the normative acts adopted last year to create conditions for the introduction of state quality clearance have had a positive effect. The state quality clearance system now covers over 300 enterprises which generate some 25 per cent of the output volume. More than 1,100 organizations carry out their own programs for the improvement of quality.

Along with that, a number of weaknesses have been identified in the work to upgrade quality in certain economic branches and subbranches, which undermine the competitive strength of Bulgarian-made goods.

The commission adopted resolutions intended to overcome these weaknesses.

[Sofia Domestic Service in Bulgarian at 0900 GMT on 21 July carries a similar version of the report on the meeting of the National Assembly Standing Commission on Socioeconomic Development and adds: "The meeting was opened and chaired by Grisha Filipov, chairman of the commission. A report of Stoyan Markov, chairman of the Committee on Quality, was discussed by the members of the commission."]

Parliamentary Commission on Radio, TV Problems
AU2507200488 Sofia Domestic Service in Bulgarian
1730 GMT 25 Jul 88

[Text] A session of the Parliamentary Commission on Intellectual Development took place today. It was opened and chaired by Yordan Yotov, chairman of the commission.

One of the questions discussed was the problem of providing the country with a high quality radio and television network.

A series of shortcomings were noted in implementing a comprehensive program on providing the necessary material and technical base to supply the population with modern everyday appliances—radio and television equipment.

The shortage of necessary financial resources was pointed out as one of the main reasons for the aforementioned shortcomings.

The decision adopted by the commission stressed the necessity for the Council of Ministers to take serious measures for the prompt construction of the two existing television networks for the first and second Bulgarian television programs, by simultaneously building a third television network for the relay of Soviet programs.

The question of providing a few radio short wave frequencies for radio broadcasting needs was discussed.

The session reviewed the tasks of updating the comprehensive program on the development of the material-technical base of radio and television, and for improving its financial backing.

It was pointed out that the [name indistinct] Association should focus its efforts on optimally improving the television broadcasting and relay networks, as well as on the decisive improvement of their servicing.

One of the main tasks facing the association is to prepare and implement a comprehensive program for the development of cable television in our country.

A working group composed of National Assembly deputies will henceforth conduct investigations on the implementation of the decision that has been adopted.

The National Assembly deputies also discussed the implementation of the decision they adopted in 1984 in connection with the state and problems of amateur arts activities. It was established that a series of essentially important recommendations have not been implemented. Shortcomings and weaknesses were pointed out which obstruct the development of amateur arts activities which is an important part of cultural life in our country.

Assembly Foreign Affairs Commission Resolution
AU2707173088 Sofia BTA in English
1657 GMT 27 Jul 88

["For Balkan Cooperation, For Peace and Disarmament"—BTA headline]

[Text] Sofia, July 27 (BTA)—After lively discussions, today the Bulgarian M.P.s adopted resolutions in support of the efforts for activating all-Balkan cooperation, for disarmament and for consolidating international security.

After hearing a report by Deputy Foreign Minister Ivan Ganev on the meeting of high officials of the Ministries of Foreign Affairs of the Balkan countries, held here from June 21 through 23, the Foreign Affairs Commission of the National Assembly declared itself in support of the positive trends which have emerged in all-Balkan cooperation. The M.P.s are for multiplying the efforts directed toward promoting good-neighborliness, trust and security in this part of the world.

They also discussed a report of Deputy Foreign Minister Lyuben Gotsev on the results of the work of the Third Special Session of the UN General Assembly on Disarmament. The M.P.s expressed satisfaction over the fact that the guidelines in the policy of the socialist countries on security and disarmament issues coincide with that of the majority UN-member states. They stressed the necessity for adopting new approaches to disarmament issues.

The M.P.s also took a stand on the address of the National Council of Afghanistan to all peoples and Parliaments in the world, confirming their solidarity with the Geneva accords on Afghanistan which set the beginning of the process of the political settlement of the situation around that country. The commission assessed the withdrawal of the limited contingent of Soviet troops in Afghanistan, which has begun in conformity with the undertaken international obligations, as extremely favorable. However, they expressed alarm over Pakistan's violations of the Geneva accords and over the continuing interference in the internal affairs of Afghanistan and stressed the need of all interested parties to show political realism and common sense as a means for securing peace and for the consolidation of Afghanistan as an independent, nonaligned and neutral state.

Parliamentary Commissions Debate Housebuilding
AU2807104888 Sofia Domestic Service in Bulgarian
0900 GMT 28 Jul 88

[Text] This morning in the National Assembly the Commission for Defense of Social Interests and Citizen's Rights, the Social Policy Commission, and the People's Councils and Local Self-Management Commission, together with the leadership of the State and People's Control Committee, discussed the report of Georgi Grigorov, chairman of the "Building and Construction Industry" Association, and the coreport of the working group on the fulfillment of the programs for housing construction and the allocation of housing in certain large centers of population.

The session was chaired by Petur Dyulgerov, chairman of the Commission for Defense of Social Interests and Citizen's Rights.

It was established that the plan for the past 2 years of the 5-year-plan period was not fulfilled. The state order was not being fulfilled, nor the planned construction on an economic basis. House construction was not being made a primary task for the state organs, people's councils, and economic organizations. The requirements for construction equipment, central heating installations, heating and ventilation materials, paint, glass, and other products were not being met.

It was stressed that, especially in the large towns, cooperative, departmental, and individual housebuilding were being given low priority, despite the existence of a number of governmental decisions. It was also underlined that requirements of the laws and specific social justice were not always being observed in the allocation of housing. There was little involvement of the labor collectives and the public in this work.

The decisions adopted by the parliamentary commissions map out specific measures to ensure the maximum fulfillment of the housing program during the Ninth 5-Year-Plan Period, guarantee the prospects for development of the building industry and construction services, further improve the economic levers, and stimulate the municipal people's councils and the administrative-legal mechanisms, as well as the provision of information on and monitoring of housing construction.

Zlatev Elected New Shumen Region Mufti
AU2607122188 Sofia BTA in English
1151 GMT 26 Jul 88

[Text] Sofia, July 26 (BTA)—Following the retirement of the regional Mufti of the Bulgarians professing the Islam, elections were held today in the town of Shumen (northeastern Bulgaria) for a new Mufti of the region.

In conformity with the rules of the Islamic religion, the representatives of the Bulgarian Muslim Boards of the region elected the former regional Imam of the village of Drumevo near Shumen Sergey Mladenov Zlatev regional Mufti.

Born in 1942 in a village near Varna, Sergey Zlatev has graduated the Sofia Kliment Okhridski University. He has completed a course for Muslim clergymen organized by the Chief Mufti's Office in Sofia.

Zhivkov Speaks at Agrarian Conference
AU2707182388 Sofia Domestic Service in Bulgarian
1730 GMT 27 Jul 88

[Excerpts] A national conference on certain problems of restructuring in the agricultural sector was held in Sofia today. It was attended by Comrades Todor Zhivkov, Georgi Atanasov, Yordan Yotov, Milko Balev, Petur Mladenov, Petur Tanchev, Andrey Lukanov, Georgi Yordanov, Dimitur Stoyanov, Vasil Tsanov, Dimitur Stanishev, and Emil Khristov. Vasil Tsanov, BCP Central Committee secretary, spoke at the conference. [passage omitted]

Todor Zhivkov, general secretary of the BCP Central Committee and State Council chairman, spoke at the conference. He spoke on the process of restructuring in Bulgaria and on some issues related to implementing the BCP July Concept on further constructing socialism in Bulgaria. The first party and state leader devoted special attention to issues of the qualitatively new stage in developing agriculture.

Georgi Atanasov, chairman of the Council of Ministers, who chaired the conference, stressed in conclusion that the main task now is to mobilize all working people for completing the harvesting on time and in a qualitative manner.

Leaders' Public Appearances 2 - 8 Jul

AU0907150788 [Editorial Report] Sofia Domestic Service in Bulgarian in its newcasts, the Sofia press, and BTA during the 2 - 8 July monitoring period report the following public appearances of Bulgarian leaders (source of each report given in parentheses):

Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council, visited an exhibition on Sofia's technological renewal in Sofia on 4 July. (Sofia BTA in English 1459 GMT 4 Jul 88) In Sofia on 5 July he met with Vernon Walters, the U.S. permanent UN representative. (Sofia Domestic Service in Bulgarian 1730 GMT 5 Jul 88) and received Glavkosmos chief Aleksandr Dunayev. (Sofia RABOTNICHESKO DELO in Bulgarian 6 Jul 88 p 1) Together with other party leaders, he met with the students and staff of the Social Sciences and Social Management Academy in Sofia on 7 July. (Sofia Domestic Service in Bulgarian 1730 GMT 7 Jul 88) and on 8 July received

the visiting Japanese member of parliament Shin Kanemaru. (Sofia BTA in English 1918 GMT 8 Jul 88) and the rector of Hamburg University, Prof Peter Fischer-Appelt. (Sofia BTA in English 1923 GMT 8 Jul 88)

Georgi Atanasov, member of the BCP Central Committee Politburo and chairman of the Council of Ministers, received Nicaraguan Foreign Minister Henry Ruiz Hernandez in Sofia on 4 July. (Sofia BTA in English 1447 GMT 4 Jul 88) He departed from Sofia on the same day to attend the CEMA session in Prague. (Sofia Domestic Service in Bulgarian 1500 GMT 4 Jul 88) and spoke at the CEMA session in Prague on 5 July (Sofia BTA in English 1740 GMT 5 Jul 88) and 7 July (Sofia BTA in English 1745 GMT 7 Jul 88), returning to Sofia with his delegation on 7 July. (Sofia Domestic Service in Bulgarian 1900 GMT 7 Jul 88) In Sofia on 8 July he met with Egypt's minister of state for international cooperation, Maurice Markamallah. (Sofia BTA in English 1304 GMT 8 Jul 88)

Chudomir Aleksandrov, Politburo member and secretary of the BCP Central Committee, attended a plenum of the Central Council of Bulgarian Trade Unions in Sofia on 5 July. (Sofia TRUD in Bulgarian 6 Jul 88 p 1)

Milko Balev, Politburo member and secretary of the BCP Central Committee, met Senator William Jaramillo Gomez of Colombia in Sofia on 4 July. (Sofia BTA in English 1750 GMT 4 Jul 88) In Sofia on 5 July he attended a national day reception at the Venezuelan Embassy. (Sofia RABOTNICHESKO DELO in Bulgarian 6 Jul 88 p 6) In Sofia he held talks with a visiting Portuguese Communist Party delegation led by Angelo Veloso. (Sofia BTA in English 1653 GMT 6 Jul 88) and saw off the delegation from Sofia Airport on 6 July. (Sofia RABOTNICHESKO DELO in Bulgarian 7 Jul 88 p 6) In Sofia on 8 July Balev received the visiting Nicaraguan Minister Henry Ruiz Hernandez and Sheila Kaul, general secretary of the Indian National Congress (I) Party. (Sofia BTA in English 1752 GMT 8 Jul 88)

Stanko Todorov, member of the BCP Central Committee Politburo and chairman of the National Assembly, held talks with Japanese MP Shin Kanemaru in Sofia on 8 July. (Sofia BTA in English 1205 GMT 8 Jul 88)

Yordan Yotov, Politburo member and secretary of the BCP Central Committee, received in Sofia on 5 July Mu Qinq, director general of XINHUA Press Agency. (Sofia BTA in English 1758 GMT 5 Jul 88) He saw off from Sofia Airport on 7 July Aleksandr Dunayev, chief of Glavkosmos - USSR and leader of the cosmonaut delegation that visited Bulgaria. (Sofia RABOTNICHESKO DELO in Bulgarian 7 Jul 88 p 2)

Petur Dyulgerov, candidate member of the BCP Central Committee Politburo and chairman of the Central Council of Bulgarian Trade Unions, addressed the plenum of the latter organization held in Sofia on 5 July. (Sofia TRUD in Bulgarian 6 Jul 88 p 1)

Stoyan Markov, candidate member of the BCP Central Committee Politburo, attended a national day reception at the U.S. Embassy in Sofia on 4 July. (Sofia Domestic Service in Bulgarian 1900 GMT 4 Jul 88)

Georgi Yordanov, candidate member of the BCP Central Committee Politburo and minister of culture, science, and education, received Prasat Shani, Indian minister of culture and education, in Sofia on 2 July. (Sofia BTA in English 1737 GMT 7 Jul 88) In Sofia on 4 July he signed a protocol at the end of the session of the mixed Bulgarian-Nicaraguan cooperation commission. (Sofia BTA in English 1748 GMT 7 Jul 88)

Dimitur Stanishev, secretary of the BCP Central Committee, received a Mozambique Liberation Front delegation during their visit to Bulgaria that ended on 4 July. (Sofia BTA in English 1750 GMT 4 Jul 88)

First Half of 1988 Plan Fulfillment Published
AU2607060188 Prague RUDE PRAVO in Czech
22 Jul 88 pp 1, 3

[CTK report: "A Moderate Improvement in Results; Report on the Development of the National Economy and the Fulfillment of the CSSR State Plan in the First Half of 1988"]

[Text] Prague—In the first half of the year, industrial production in the centrally administered industry increased 2.8 percent compared with the same period last year, while the annual plan called for a 2.1 percent growth. The overall national economic results were more favorable than those achieved in the preceding years of the Eighth 5-Year Plan. This is stated in the Report of the Federal Bureau of Statistics on the Development of the National Economy and the Fulfillment of the CSSR State Plan in the First Half of 1988, which was released on Thursday [21 July]. Furthermore, the report states that the volume of construction work increased 3.5 percent. Income from wages in the period in question rose 3.6 percent, income from social payments 2.6 percent, and so forth. The report simultaneously shows that a number of planned tasks have not been accomplished to the full extent. We publish the complete text of the statistical report:

The year 1988 occupies an important position from the viewpoint of the implementation of the targets of the 17th CPCZ Congress in the area of economic and social development. It establishes important prerequisites for restructuring the economic mechanism in the CSSR; some of the elements of restructuring have started to be implemented already. More than one million employees were involved in the Comprehensive Experiment in Enhancing the Independence and Responsibility of Organizations for Efficient Development. A total of 412 state enterprises with a labor force of 1.49 million, that is, more than one-quarter of all manpower in the production sphere, were established effective 1 July.

While the production tasks were fulfilled and overfulfilled on aggregate, some serious problems in economic development lingered on. A number of enterprises fell short of their production targets, which complicates the fulfillment of planned intentions in sales and in the production structure. Manufacturing does not meet the needs of consumers in terms of the required quantity, variety, technical standard, and quality. This exerts an unfavorable influence on the situation in satisfying the needs of the domestic market, accounts for difficulties in selling products on foreign markets, and deepens strains in supplier-user relations. In spite of an improvement on previous years, production costs continue to be high and the projections of the plan regarding the proportion of costs in the value of output were not achieved. Inventories in enterprises rose further and the inability of a number of organizations to pay their bills increased.

Plan fulfillment in capital construction at individual projects continues to be uneven and some specific tasks of the plan were not fulfilled.

Both in volume terms and in qualitative indicators, the results of the first half of the year were more favorable than those achieved in the preceding 2 years of the Eighth 5-Year Plan. In the main branches, the state plan targets on the growth of production volume were exceeded. Compared with the first half of 1987, the volume of industrial production increased 2.8 percent, while the annual plan calls for a 2.1 percent growth. The volume of construction work increased 3.5 percent, although the annual plan provides for a decline. The procurement timetable for main animal products, with the exception of milk, was exceeded.

The failure to meet targets in improving the use of resources expended on production, especially material costs, is expressed in the higher-than-planned proportion of production input in the generation of resources. The growth of national income in the first half of the year, which was faster than called for in the annual plan, was therefore based not on cuts in production input but primarily on the faster-than-planned growth of production.

The higher-than-planned generation of national income permitted its higher use, which, however, also took the shape of above-plan growth in investments and production inventories. Private consumption, real cash earnings of the population, and retail trade turnover were all higher than planned. Still, problems in meeting the needs of the population on the domestic market persisted.

Scientific-Technical Development [subhead]

The contribution of the results of scientific-technical development to the intensification and efficiency growth of the national economy still is not up to the required standard. Although some positive results have been achieved, a number of shortcomings in applying the results of scientific-technical development persist. Production innovation is slow and the quality and technical-economic standards of products are not improving. Progressive technologies geared to reducing the high consumption of raw and processed materials and energy are not being applied to the needed extent and, consequently, the tasks of the fifth session of the CPCZ Central Committee are not being fulfilled.

A total of 345 research and development tasks were dealt with in the first half of the year within the framework of the state plan of technical development. Successfully completed research and development tasks include, for example, the verification, in accordance with WHO recommendations and guidelines, of the clinical effects of new groups of pharmaceuticals for the treatment of the cardiovascular system, antibiotics, chemotherapeutics, and pharmaceuticals for treating the immune system and working out documentation to introduce them into production in order to effect better cures. Other

completed research and development tasks concern the technology for the protection of mass-produced steel structures against corrosion; the technology to increase the service life of machinery components and tools by means of vacuum sputtering of thin coatings; or the production of extra-resistant fibreglass and of products based on it, products that conform with the appropriate world specifications and can gradually replace asbestos in the building industry.

The solution of some projects has not been ensured to the full extent. This concerns, for instance, the research and development of the EM 3 electricity-powered unit [elektrická jednotka] for suburban transportation, research into pharmaceuticals based on medicinal plants and natural substances, and research into the production and use of enzymes in various sectors of the national economy.

The planned annual volume of production based on research projects that have reached application stage, which stands at Kcs39.9 billion, was fulfilled 39.2 percent. Productions and technological processes introduced this year on the basis of resolved research projects include, for instance, the production of yarn according to a new material-saving spinning technology, the production of new apparel textiles made of finished polyester fibres, and a technology for extracting precious metals out of waste materials.

The volume of new products totalled Kcs60 billion (which was 16.2 percent of all industrial products) and was Kcs1.8 billion (that is, only 3.0 percent) higher than in the same period last year. The proportion of new products rated as having high technical-economic standards in the total volume of new products was 33.3 percent and remained roughly at the level of the first half of the year of 1987. The proportion of products rated as having high technical-economic standards in total industrial production (14.6 percent) has not increased either since the first half of last year, which is negatively reflected on the domestic and foreign markets.

Problems in ensuring production quality persist, which is borne out by both the volume of aggregate losses accounted for by substandard quality production and the findings of quality inspections performed by the committees of people's control. An improvement occurred in 22 enterprises, in which quality inspections [by people's control committees] have been discontinued.

Inadequate use is being made of improvement proposals and inventions by leading workers and technicians to improve the quality and raise the technical standards of production. The number of filed improvement proposals remained in the first half of the year at the level of the same period last year, while the number of registered inventions dropped 4 percent. Their introduction and practical use continues to be slow.

Despite its expansion, international scientific-technical cooperation with CEMA countries falls short of the required level. Although the number of research work-places and enterprises involved in the solution of projects arising from the Comprehensive Program for the CEMA Countries' Scientific and Technical Progress has increased (to a total of 332 organizations), so far the practical results conform neither with the expended effort nor with needs. The 44th CEMA session adopted measures to gradually improve the mechanism of member countries' mutual cooperation.

Industry [subhead]

In the first half of the year, industrial production in the centrally administered industry increased 2.8 percent compared with the same period last year, while the annual plan calls for a 2.1 percent growth. Average daily production increased 2.1 percent. The annual state plan was fulfilled 50.3 percent. The economic plans of gross output were fulfilled 101.3 percent on aggregate and the plans of goods production were fulfilled 101.2 percent. The shortfalls of enterprises that are behind in plan fulfillment amounted to almost Kcs2.5 billion in terms of gross output and to Kcs 2.0 billion in goods production.

The highest production growth was achieved mainly in the electrotechnical industry and in the glass, ceramics, and china industry. There was a decline in the generation of heat and electricity, in connection with the favorable development of weather in the early months of the year. Electricity generation in steam power stations declined 2.4 percent and in hydroelectric power stations 12.1 percent, whereas it increased substantially in nuclear power stations—by 12.1 percent. The proportion of nuclear power stations in total electricity generation reached 25.8 percent.

The volume of adjusted net output in the centrally administered industry increased 6.2 percent (a 5.9 percent increase is planned for the entire year). The economic plans were fulfilled 101.7 percent. A total of 19.3 percent of enterprises, compared with 27.0 percent in the first half of last year, did not fulfill the plan of adjusted net output.

The proportion of total costs in the volume of output in the January-May period was 1.31 percentage points lower than in the same period last year; the proportion of material costs alone was 1.23 percentage points lower. However, the level of cost-intensiveness called for in the annual state plan was not achieved. Total profits increased 15.7 percent in the January-May period; the annual plan lays down an 8.0 percent rise in profits.

The downward tendency in the utilization of production assets in the centrally administered industry continued. The utilization rate for basic assets further declined in the January-May period; the period of inventories' turnover grew 0.78 days longer (the annual plan foresees its shortening). Inventories in the industrial sectors grew by

Kcs11 billion in the first 5 months of the year, with the greatest (Kcs9.9 billion) increase occurring in organizations administered by the Federal Ministry of Metallurgy, Engineering, and Electrotechnical Industry.

Labor productivity in the centrally administered industry calculated from the volume of adjusted net output increased 6.1 percent and, calculated from gross output, 2.7 percent (the state plan for the whole year foresees a 1.3 percent growth in labor productivity). The ratio between the development of labor productivity in industry and the development of average wages deviates from the intentions of the annual plan, primarily as a result of the above-plan growth of average wages.

Employment in the centrally administered industry reached in the first half of the year 2.717 million persons and was 0.1 percent higher than in the first half of last year; the annual plan foresees a 0.8 percent increase. Average monthly wages in the centrally administered industry reached the sum of Kcs3,237 and were 2.6 percent higher than in the first half of last year (the annual plan provides for a 0.3 percent growth). A number of enterprises failed to abide by the planned ratio between wage costs and adjusted net output.

The total value of sales in the centrally administered industry increased 2.1 percent in wholesale prices in the first half of the year. On the whole, economic plans were exceeded in all the main directions of deliveries, although some enterprises did not quite cope with the tasks of the plan. Compared with the first half of last year, the volume of machinery and equipment deliveries for capital investment projects declined 4.9 percent (in harmony with the intentions of the plan), deliveries to the domestic market increased 4.8 percent, deliveries for export to socialist countries increased 2.7 percent, and deliveries for export to nonsocialist countries increased 10.7 percent.

Despite the growth in production and despite the fact that a considerable number of enterprises exceeded their economic plans for production and sales, demand for a whole number of industrial products was not evenly met, because of deviations in the structure of deliveries. Shortcomings in the supply of spare parts also persisted.

Development of Basic Indicators in Selected Branches (Planning Groups) of Centrally Administered Industry in the First Half of 1988

	Adjusted Net Output		Gross Output		Number of Employees	Labor Productivity (calculated from adjusted net output) vs 1st half '87
	plan fulfillment	vs 1st half '87	plan fulfillment	vs 1st half '87		
	In percentage					
Centrally administered industry (including industry run by regional national committees)	101.7	106.2	101.3	102.8	100.1	106.1
Of this: Coal production	102.7	101.2	102.8	100.4	101.7	99.5
Generation of heat and electricity	99.5	101.8	97.9	99.5	101.3	100.5
Metallurgy: total, including ore extraction	102.6	105.1	101.7	101.3	99.7	105.5
Of this: Ferrous metallurgy	102.7	105.1	101.8	101.2	99.4	105.7
Engineering, total	100.4	105.5	100.7	103.3	100.1	105.4
Of this: Heavy engineering	100.4	102.5	100.4	101.6	100.1	102.4
General engineering	99.3	104.7	100.6	102.3	99.8	104.9
Electrotechnical industry	102.8	111.4	101.2	108.4	100.7	110.6
Chemical industry, total	102.7	113.9	101.5	103.7	99.7	114.2
Of this: Petrochemical industry and crude oil refining	102.9	114.9	101.6	103.9	99.8	115.1
Rubber and plastics industry	101.7	108.8	100.8	102.7	99.5	109.3
Light industry, total	101.5	105.5	101.1	103.6	99.3	106.2
Of this: Wood product manufacturing administered by the Ministry of Industry	101.6	112.1	101.7	104.3	100.0	112.2
Glass, ceramics, and china	102.6	107.9	101.2	106.6	100.1	107.8
Textiles	100.3	103.5	101.2	103.4	98.9	104.6
Apparel	103.1	107.8	100.5	102.0	99.5	108.4
Leather-processing and footwear	102.5	106.8	101.0	102.8	99.6	107.2
Printing	102.3	103.8	101.7	104.0	99.2	104.7
Construction materials industry	102.6	113.3	102.8	106.5	100.4	112.9

	Adjusted Net Output		Gross Output		Number of Employees	Labor Productivity (calculated from adjusted net output)
	plan fulfillment	vs 1st half '87	plan fulfillment	vs 1st half '87	vs 1st half '87	vs 1st half '87
	In percentage					
Wood-processing industries administered by the Ministry of Forestry, Water Economy, and the Wood-Processing Industry	102.1	110.4	101.3	104.3	99.4	111.0
Of this: Wood-product manufacturing	101.0	109.7	100.8	104.5	99.2	110.6
Cellulose and paper industry	103.5	111.2	102.0	104.2	99.9	111.4

Agricultural-Food Complex [subhead]

In crop farming, the unfavorable weather conditions in spring exerted influence on the process of plant growth. Extensive areas of spring cereal and sugar beets had to be plowed back into the ground because of the crops' poor sprouting. Substitute sowing was carried out on the damaged plots. Although, according to estimates, the cereals harvest will fall short of last year's level and plan targets, it is expected to match the average harvest of the 1981-85 period. The harvest of feed crops in the first half of the year was relatively low, but a better harvest of these crops is expected in the subsequent period as a result of greater precipitation.

In animal farming we succeeded in maintaining and in some indicators even in further increasing the yields of farm animals. An average of 123.4 eggs per hen were laid

and total production exceeded the equivalent period of last year by 78 million eggs. Compared with the first half of last year, better results were achieved in rearing piglets and calves and in fattening hogs. The fattening of beef cattle was negatively influenced by the deficient quality of bulk feed. The average daily milk yield remained at last year's level (10.2 liters) and, with a smaller number of cows, milk production in the first half of the year totalled 3.304 billion liters, 0.6 percent less than in the same period a year ago.

The timetable for the procurement of products of animal origin was fulfilled evenly, with the exception of milk procurement. Compared with the first half of 1987, procurement of animals for slaughter increased by 24,000 tonnes, procurement of poultry for slaughter by 7,000 tonnes, and egg procurement by 16 million pieces, while milk procurement declined by 38 million liters.

Procurement of Animal Products

	Unit of Measurement	1st Half 1988 Production	Percentage of Timetable Fulfillment
Animals for slaughter (excluding poultry)	Thousands of tonnes of weight on hoof	821	105.2
Of this: Cattle for slaughter	Thousands of tonnes of weight on hoof	370	106.4
Hogs for slaughter	Thousands of tonnes of weight on hoof	439	104.2
Poultry for slaughter	Thousands of tonnes of body	126	106.2
Milk	Millions of liters	2,944	99.6
Eggs	Millions of pieces	1,466	101.1

Wages in state farms increased 1.9 percent compared with the first half of 1987, to Kcs3,100; the level of comparable remuneration of employees of united agricultural cooperatives increased 3.5 percent, to Kcs3,300 [per month]. The level of wages of food industry employees increased 2.5 percent compared with the first half of last year, to Kcs2,916.

The volume of gross output in the food industry increased 2.2 percent against the first half of last year; the annual state plan provides for a 2.6 percent rise. The

volume of deliveries by the food industry to the domestic market in retail prices increased 2.8 percent in the first half of the year; the volume of deliveries in wholesale prices increased 3.4 percent.

Forest Economy [subhead]

Timber production in the first half of the year totalled 9.8 million cubic meters, which is 54.2 percent of this year's annual state plan. Of this amount, 3.9 million

cubic meters were processed from salvage cutting. Deliveries of timber amounted to 9.3 million cubic meters, 52.0 percent of the planned annual amount. Afforestation was carried out on 42,000 hectares, that is, 82.8 percent of the annual plan.

Water Conservancy [subhead]

In the first half of the year consumers were supplied with 660 million cubic meters of drinking water from public water mains, which was 49.2 percent of the planned annual task. The proportion of the population supplied with water from public water mains increased from 77.5 percent in the first half of 1987 to 78.3 percent. The proportion of the population living in homes connected to the public sewage grid increased from 63.3 percent to 64 percent.

Building Industry [subhead]

The volume of construction work carried out by construction enterprises with their own employees amounted to Kcs48.4 billion and was 3.5 percent higher than in the same period last year; the state plan for this year provides for a decline in the volume of construction work. Construction enterprises' adjusted net output was 4.7 percent higher than in the first half of 1987, which is roughly at the level of the annual plan, and its volume totalled Kcs20.7 billion. In spite of this, 29.3 percent of construction enterprises failed to cope with their economic plans of construction work carried out by their own employees and 21.6 percent of construction enterprises with the planned adjusted net output.

The activity of a number of construction organizations continued to suffer from shortcomings in the utilization of working hours, in the use of machinery and equipment, in the cost-effective use of building materials, and in the organization of labor at building sites in general. There remain untapped possibilities for raising labor productivity.

This found its expression in the unsatisfactory results of construction enterprises' financial performance. Neither the tasks in reducing total costs nor the tasks in cutting material costs were fulfilled to the planned extent; their proportion in output was higher than planned. As a result, the planned volume of profits was not fulfilled either.

Construction enterprises employed an average of 566,700 employees; the number of employees was thus 1,100, or 0.2 percent, lower than in the first half of 1987.

Labor productivity calculated from construction work carried out by construction enterprises' own employees increased 3.7 percent compared with the same period last year; labor productivity calculated from adjusted net output increased 4.9 percent.

The average wages of construction enterprises' employees reached the sum of Kcs3,345 in the first half of the year and were Kcs132, or 4.1 percent, higher than over the same period last year. The state plan for 1988 foresees only a 1.0 percent increase in average wages compared with 1987.

Transportation [subhead]

In the first half of the year public freight transportation saw a marked increase in the volume of conveyed goods. An increase was recorded in all types of transportation, yet particularly in river transportation, in view of exceptionally favorable conditions for navigation.

Public freight transportation conveyed 322.4 million tonnes of cargo, 5.6 percent more than in the first half of 1987. The economic plan of transportation was fulfilled 102.7 percent. The Czechoslovak State Railroads (CSD) accounted for 45.9 percent, the Czechoslovak State Automobile Transportation (CSAD) for 51.9 percent, and river transportation for 2.2 percent of cargo conveyed by public freight transportation.

The railroads carried 147.9 million tonnes of goods, 5.3 percent more than a year ago, and the economic plan was fulfilled 101.3 percent. Railroad loading totalled 126.0 million tonnes of goods, of which solid fuels accounted for 41.3 million tonnes, ores for 5.5 million tonnes, metallurgical and engineering products for 15.3 million tonnes, and building materials for 25.7 million tonnes. Turnaround times per railroad car unit averaged 4.03 days, which was a cut of 4.3 percent compared with the first 6 months of last year. Labor productivity increased.

The CSAD's road freight transportation conveyed 167.5 million tonnes of goods in the first half of 1988, 5.4 percent more than over the same period last year. The number of vehicles that are idle on account of the shortage of spare parts continues to be high.

River transportation conveyed 7 million tonnes of goods, of which transportation of steam coal accounted for 21.2 percent.

Public passenger transportation carried 1.402 billion persons. Shortcomings in the transportation of employees to work persist in many localities. The total number of travellers was 10 million (0.7 percent) lower compared with the first half of 1987. The CSAD's passenger transportation division carried 1.2 billion persons and the railroads almost 202 million persons. Air transportation carried 577,000 passengers, 155,000 of them on domestic flights.

The Prague subway carried 228 million persons, 6.2 percent more than in the first half of 1987. This represents a daily average of approximately 1.3 million persons.

Communications [subhead]

The total number of telephones increased by 129,000 compared with the first half of last year; 3.913 million telephones were in operation by 30 June 1988. The telephone density rate reached 25.1 per 100 inhabitants. The number of direct-dial telephone calls increased further. The Rokycany telephone exchange area was fully automated within the framework of the progressing automation of telephone operations.

The West Slovakia-Nitra transmitter was put into operation with the aim of improving the coverage of the territory of the Slovak SR with the radio signal. The possibilities to receive the central program of Soviet Television were further expanded through the putting into operation of five additional transmitters.

Foreign Trade [subhead]

Foreign trade turnover increased 2.2 percent, of which turnover with socialist countries increased 1.7 percent and turnover with nonsocialist states 3.8 percent. The annual state plan of exports was fulfilled 49.6 percent by the end of June; the annual plan of exports to socialist countries was fulfilled 51.2 percent and the annual plan of exports to nonsocialist states 46.7 percent. The annual state plan of imports was fulfilled 46.0 percent; planned imports from socialist countries were fulfilled 47.6 percent and planned imports from nonsocialist states 43.0 percent. The terms of trade with both socialist and nonsocialist countries improved but considerable untapped possibilities continue to rest in the efficiency of foreign trade exchange, especially in the prices fetched by our exports.

Development of Foreign Trade Turnover (Footnote 1)
(In current prices, all charges paid up to the border of the delivering state)

	First Half of 1988 as a Percentage of 1st Half '87
Exports, total	103.1
Of this: To socialist countries	102.8
To nonsocialist states	103.4
Imports, total	101.2
Of this: From socialist countries	100.7
From nonsocialist states	104.2

Foreign trade turnover with CEMA member states increased 1.2 percent compared with the same period last year. Socialist countries accounted for 80 percent of the foreign trade turnover total. In the sphere of the international division of labor, additional direct links were established, primarily with organizations in the Soviet Union. A total of 350 agreements on direct links between Czechoslovak and Soviet organizations existed by the end of May.

Capital Construction [subhead]

Investment work and deliveries valued at Kcs71.8 billion (excluding the Z-project [community self-improvement program] and private construction by the population) were carried out in the national economy in the first half of the year, 10.1 percent more than over the same period last year, although the state plan for this year foresees a 2.3 percent decline in the investment volume. The volume of building work amounted to Kcs37.8 billion while deliveries of machinery and equipment amounted to Kcs34 million. The volume of building work was 8.9 percent higher and deliveries of machinery and equipment 11.5 percent higher than in the first half of 1987. The greatest dynamism was in deliveries of machinery and equipment that are not included in the investment projects' budgets.

Although the proportion of investment resources spent on modernization and retooling increased, the attained level remains unsatisfactory considering the needs.

The implementation process in capital construction continued to be marked also this year by some negative tendencies, especially by the uneven completion of projects in the course of the year and by the failure to reach projected parameters at completed capacities.

Of the 105 capacities designated as mandatory tasks of the state plan and scheduled to be given a trial run in the course of 1988, 29 were actually handed over to their users in the first half of the year. The capacities that were given a trial run include, for example: the Olomouc meat combine, electrification of the first stage of the Leopoldov-Puchov railroad line and of the Benesov-Tabor railroad line, the "FLOAT 2" production line in the Sklotas Teplice plant, a continuous tank in the Desna plant of the Jablonec Glassworks, boilers in the Trmice heating plant and in the Steti paper mill, a plating shop in the Tesla Jihlava plant, provisions for coal extraction at stage five of the Maxim Gorkiy giant quarry, and increased coal extraction at the Chabarovice quarry.

Nonproduction capacities that were put into operation include, for example, the Forum Hotel in Prague, the Liberec sewer, the Velke Kozmalovce water reservoir, and stage 2 of the central effluent treatment plant in Bratislava.

Projects that were not commissioned by the set deadline include, for example, a heating plant in MEZ Mohelnice, the production of seats for agricultural machinery in the Agroze: plant in Svratka, and the Lucenec meat combine.

Living Standards [subhead]

The number of employees in the socialist sector of the national economy (excluding united agricultural cooperatives) increased by 49,000 compared with the first half of 1987, that is, by 0.7 percent, and reached 7.023 million. The greatest increase in employment (1.9 percent) was in the nonproduction branches, particularly in

education, health and social care, and commercial-technical services. Employment in united agricultural cooperatives increased 1 percent.

The growth rate of personal earnings and expenditures exceeded the projections of the annual state plan. Nominal personal earnings increased 4.8 percent and reached the sum of Kcs223.2 billion. Income from wages increased 3.6 percent and income from social payments 2.6 percent.

Average nominal monthly wages paid to employees in the socialist sector of the national economy, excluding united agricultural cooperatives, stood at Kcs3,097, which represents a 3.2 percent increase compared with the first half of last year.

Private spending on purchases of goods and services and on financial payments increased 5.1 percent, to Kcs209.4 billion. The increase in private deposits and cash holdings grew smaller. Private deposits with branches of the state savings bank reached the sum of Kcs259.4 billion by the end of June. The proportion of long-term deposits increased further. Private credits from branches of the state savings bank amounted to Kcs42.5 billion by the end of June.

Retail trade turnover increased 6.0 percent, while the state plan provides for an annual growth rate of 1.9 percentage points. The high growth rate of retail trade turnover was mainly a result of the above-plan dynamism of personal earnings, increased tourism (particularly to the increase in one-day tourist trips), as well as to higher deliveries of goods to the home market from domestic suppliers, imports, and swap operations.

The population manifested increased interest in vegetables, meat products, mineral waters, and poultry. Regarding non-food products, the sales of building materials, color television sets, automatic washing machines, furniture, and passenger automobiles—of which 74,500 were sold, that is, 10.3 percent more than in the first 6 months of 1987—rose markedly. The overall deliveries of the industry to the domestic market (in retail prices) increased 5.5 percent compared with the first half of 1987. Despite that, the developments in the purchase of goods and inventories on the domestic market did not create prerequisites for satisfying consumers' demands, especially in the areas of choice and price structure.

While the supply of sales outlets with basic foodstuffs was smooth, shortcomings in the structure of meat products, dairy products, fish, deep-frozen products, vegetables, and fruit continued. With non-food products, the demand for some types of automatic washing machines, color television sets, freezers, sport bicycles, and some other sports equipment was not satisfied. Further, the demand was not fully covered for a number of types of textile products and ready-made garments,

footwear, leather fancy goods, photographic products, paints and varnishes, and some types of paper products. Inadequate supplies of a number of types of building materials continued.

Although the earnings from services provided to the population increased, the standard of services—especially their quality and promptness—did not improve. The shortage of spare parts and the shortfall in necessary capacities for construction work and repairs for the population continued.

The number of small places of business run by the national committees further increased in the course of the first half of the year, and their number reached almost 3,000.

Local production enterprises, service enterprises, and production cooperatives contributed by their deliveries to the enrichment of the domestic market. Their total deliveries, valued at more than Kcs10 billion, rose slightly compared with the first half of 1987.

The overall index of retail prices of goods and services, compared with the first half of 1987, did not essentially change. Also the index of the cost of living of households remained unchanged. However, the changed structure of offered goods in favor of more expensive products markedly increased the average prices of some products.

Tourism, compared with last year, increased. According to preliminary data, a total of 7.676 million persons arrived in the CSSR, which is 8 percent more than in the same period a year ago. The number of visitors from the socialist countries rose 6.5 percent. A total of 2.106 million Czechoslovak citizens travelled abroad, that is, 3.9 percent more than in the first half of 1987.

Compared with the first half of 1987, the aggregate social security payments rose 2.1 percent. The new measures in the sphere of social assistance to families with children (the prolongation of paid maternity leave, the prolongation of the payment of assistance in case of a family member in need of care, etc.) in effect since 1 July 1987, and the increase of pensions which are the only source of income as of 1 October 1987, had a marked share in the growth of payments. A total of Kcs28.4 billion were paid out as old age pensions in the first half of 1987, and Kcs16.1 billion in health insurance payments. Children's allowances totaled Kcs8.1 billion, sick pay Kcs4.5 billion, and the remaining payments amounted to Kcs3.5 billion. The number of old age pensions paid increased, compared with the first half of 1987, by 22,000 (in the first 6 months of 1987 by 38,000) to 2.295 million pensions.

There were 196,000 beds in health care facilities by the end of the first half of the year. There was 1 medical doctor per 272 persons. There were 120,800 children (or 18.6 percent children under the age of 3) in nurseries.

The demand for places in nurseries is essentially covered. The measures adopted to assist families with small children create prerequisites for the number of children under 3 years of age staying in mother's care are to continue increasing.

In housing construction, the uneven completion of apartments last year is continuing this year. In the first half of the year a total of 23,600 apartments of various types were completed, which constitutes 24.2 percent of the annual plan. Compared with the same period last year, this was 893 more apartments. Of the total number, 5,300 apartments were communal apartments, 9,300 cooperative apartments, 181 were apartments built by enterprises, and 8,800 apartments were built privately. Construction of 42,500 apartments began in the first half of the year. A total of 518 apartments were modernized, a number which constitutes 8.7 percent of the annual plan.

Projects valued at Kcs2 billion were built within the framework of the "Action Z" [community self-help]. Of this, projects in the water economy sector were valued at Kcs 500 million, in the sector of education at Kcs200 million, and in trade and public catering at Kcs200 million.

Additional resources were spent on environmental protection. In the first half of the year there were 138 projects under construction, budgeted for Kcs12.3 billion, including 81 projects costing Kcs6.9 billion to

ensure the purity of water, 25 projects worth Kcs9.1 billion to protect the atmosphere, 20 projects budgeted for Kcs1.7 billion to eliminate and recycle wastes, and 12 other projects costing Kcs1.8 billion. However, the progress of work on some of these projects lags behind the timetable.

The natural increase of the population was a bit lower compared with the first half of 1987. A total of 109,600 babies were born, that is, 1,800 fewer than in the first half of 1987, and 89,900 persons died, that is, 3,000 fewer than in the first half of the year 1987. There were 55,700 marriages and 19,800 divorces. On 30 June 1988, the CSSR had a population of 15.607 million.

From the results of the first 6 months of this year it arises that the extensive ways of development continue to predominate in the economy. Therefore, it is necessary in the second half of the year to concentrate in enterprises on markedly improving the qualitative aspects of economic development and, in particular, further reducing production costs, improving the quality and technical standard of products, and ensuring the production of goods in the variety which is demanded. Only by fulfilling these prerequisites will it be possible to achieve the planned objectives for intensification, and strengthen proportionality and economic equilibrium, as the resolution of the ninth session of the CPCZ Central Committee instructs us.

End to Censorship of Church Weeklies Demanded
*AU2507103688 Munich SUEDEUTSCHE ZEITUNG
in German 23-24 Jul 88 p 2*

[E.P.D. article: "Church Groups Criticize Censorship by GDR Authorities"]

[Text] Berlin (EPD)—The "Peace and Human Rights" initiative and the "Solidarity Church Working Group" have protested against state censorship of church weeklies in the GDR. In a statement that became public in East Berlin, the groups demanded that state influence on church work be stopped and that uncensored information be ensured. The behavior of the authorities does not contribute to "internal peace in our country."

Shortages, Obsolescence May Cause Plan Shortfall
*AU2807122388 Bonn DIE WELT in German
28 Jul 88 p 11*

["AP" report: "GDR Economy Disappointed—German Economic Research Institute: Special Factors Weigh on the Half-Year Result"]

[Text] Berlin—In the opinion of the German Economic Research Institute in Berlin, the 4.1 percent growth rate in the GDR's produced net income in the first 6 months of 1986 is by all means remarkable. But there are two special factors that present the result in a too favorable light.

For example, the very cold winter in the 1987 period of comparison has to be taken into account, it is stated. Troubles in the energy and transportation sector impaired the economic growth in the first quarter of the previous year. In some fields production even decreased. In contrast to this, there were no losses on account of the weather in the mild winter of 1988. Moreover, there were two additional working days in the first 6 months compared to 1987. Corrected with regard to working days, the growth rate of the produced national income is reduced by 1.6 percent to 2.5 percent. The weather effect and ever-present price influences have to be deducted. The German Economic Research Institute says: "Against this background, the results of the first 6 months of 1988 were disappointing."

The economic problems are apparently profound, it is stated. The reason is mainly the shortage of manpower, energy, and material, as well as the obsolescence of a large part of the production facilities. "It is, however, a key factor that the sudden growth increase expected from the economic and scientific results has failed to appear,"

the economic researchers suggest. Thus, after the results of the first 6 months, it is not certain that the GDR will achieve the targets defined in the 1988 National Economic Plan.

CC Congratulates Ecuador CP General Secretary
*AU2707101388 East Berlin NEUES DEUTSCHLAND
in German 26 Jul 88 p 2*

[Message from the SED Central Committee to Rene Mauge, general secretary of the Central Committee of the Communist Party of Ecuador: "Congratulations to Rene Mauge on his Reelection; Telegram to the General Secretary of the Central Committee of the Communist Party of Ecuador"]

[Text] Esteemed Comrade Mauge,

On your reelection as general secretary of the Central Committee of the Communist Party of Ecuador I convey to you cordial congratulations on behalf of the SED Central Committee and on my own behalf.

For your responsible work at the head of the Communist Party of Ecuador we wish you the best of health and further successful work in the interest of the working people of Ecuador and our joint struggle for peace, democracy, and social progress.

With communist greetings,

SED Central Committee

E. Honecker,

general secretary.

Briefs

Havana Officials Visit Berlin

A delegation from the Cuban capital, headed by Pedro Chavez Gonzalez, first secretary of the Executive Bureau of Havana Province, has been in Berlin since the weekend of 23-24 July. During their several-day visit, the guests want to acquaint themselves with Berlin's development and discuss further cooperation between the two cities with municipal politicians. They will focus on housing construction, renovation of old city districts, maintenance of historical monuments, and the social and technical infrastructure. [Summary] *[AU2707100688 East Berlin NEUES DEUTSCHLAND in German 25 Jul 88 p 8]*

Condolences Paid Over Death of Romanian Envoy
LD2807153288 Budapest MTI in English
1440 GMT 28 Jul 88

[Text] Budapest, July 28 (MTI)—On Thursday Istvan Sarlos, vice-president of the Presidential Council, Peter Varkonyi, minister of foreign affairs, Csaba Tabajdi, deputy head of department of the Central Committee of the Hungarian Socialist Workers' Party, and Istvan Oszi, deputy minister of foreign affairs, paid a visit of condolence to the Romanian Embassy in Budapest on the occasion of the death of Nicolae Veres, ambassador of the Socialist Republic of Romania to Hungary.

Further Reportage on Grosz Visit to the U.S.

New York Dinner Speech
AU2807165588 Budapest NEPSZABADSAG
in Hungarian 26 Jul 88 p 3

[MTI Report of speech made by Karoly Grosz, MSZMP general secretary and prime minister, in New York on 25 Jul: "Hungary on the Road of Reforms—Our Premier's Speech at the Council of Foreign Relations"]

[Text] Thank you for honoring me with this invitation and for the opportunity to meet and exchange views with the eminent representatives of U.S. business circles and public life. You say that time is money, and you act accordingly. Therefore, I will not waste your time and I intend to deliver a short speech.

The MSZMP conference of May 1988, a conference followed with unusually great attention by the the U.S. mass media, confirmed our reform policy. The conference decided that there was need for change in the economy, in policy, in the construction of democracy, in openness, and in publicity. These decisions were preceded by tough debates and confrontations over political views involving the broad strata of society. The most important lesson of these debates is that the renewal of Hungarian socialism requires joint economic and political reforms.

The fact that we have to make this inevitable change—a comprehensive and thoroughly considered restructuring of the Hungarian economy—under unfavorable economic and financial conditions only increases the difficulty of this task. We have to solve economic problems which have accumulated over the years and decades, and simultaneously preserve the stability of our society.

Restructuring, curbing state subsidies, eliminating loss-making units, regrouping manpower, and coping with temporary unemployment, all these lead to practical problems. These problems include how to compensate for our export losses deriving from the elimination of inefficient production, or where to find the hard currency needed to import products that are no longer

produced domestically, at least temporarily until competitive production becomes operational and provides surplus income to the state budget.

A Spirit of Competition and Profitability [subhead]

Our goal is to make the entrepreneurial spirit, competition, and the readiness for economic adjustment and renewal prevail in the Hungarian economy. We want to create a socialist, plan-oriented, market economy in which the market becomes an institution that integrates the entire economy; state measures, that is not market measures, should be applied only in areas where the market fails to become a socially effective or acceptable coordinating mechanism.

We have taken steps to increase the role of our financial system and financial institutions. The tax reform will improve the economic clearheadedness and strengthen neutrality in competition, particularly in the long run. The banking reform, namely the establishment of a two-level banking system, created the conditions for our banking system to finance our economic development at their own risk. Our first modest steps toward creating a bonds market aim at perfecting the savings potential of the population.

In the future, we intend to create an organized stock market to ensure the mobility of capital. We intend to expand entrepreneurial independence and guarantee it by law, and ensure that economic and business decisions are based solely on profit and world market efficiency. We are currently preparing a radical reform of the budget, planning, and of our social security. The price and wage system is also undergoing reform.

We consider it particularly important for the Hungarian economy to be integrated into the world economy at a faster pace. In addition to simple commercial relations, this increasingly involves cooperation in research, technological development, production, and marketing. We consider it indispensable and encourage the establishment of joint enterprises and the introduction of working capital.

In recent years, we have gradually increased the profitability of foreign capital investments and we have created more favorable conditions for the establishment and operation of joint enterprises. The partnership law to be soon enacted in Hungary will enable the state-owned, cooperative, and domestic private capital to be freely combined with foreign capital. It will also become possible for Hungarian enterprises to be transformed into international corporations. In the years to come, domestic and foreign private capital is expected to have a 25 percent share in financing Hungary's economic development.

Your great writer, Mark Twain, said almost a century ago: "The labor-saving machine, and nothing else in the world, has made the worker great and important. Each great invention deprives 50,000 people of their livelihood, and, in 10 years' time, provides livelihood for 500,000 people."

This concept is still topical. The question is how to overcome the tensions of this transitional period. We want to simultaneously defend the interests of the working people and carry out a technological renewal, a task that leads to inevitable sacrifices. In this situation, the task of policy is not only to preserve society's stability but also to convince society to actively participate, and this can be achieved only through the reform of our political institutions.

What does political reform really mean in Hungary today? It means that we will reform our Constitution and adjust it to the present and future requirements. We will further develop our election system. We will increase the influence of the country's parliament in dealing with the country's affairs, and we will make the responsibility of the government clear and guarantee its independence by ensuring the separation between party and state. We will legally regulate the autonomy of politics and the economy, in accordance with the norms of a constitutional state.

Favorable International Conditions [subhead]

In the future, the Hungarian trade unions should strive to safeguard the workers' interests and to encourage the modernization of our social policy. The PPF and other social organizations should become workshops for shaping the opinions of society, even more than they have until now. We will formulate a legal framework for expressing different interests and opinions, and for directly influencing the activity of decisionmaking centers. This can create a socialist pluralism in our society, and the citizens' will and activity can be manifested in the way they organize themselves.

Our policy is based on expanding democracy, tolerance, and the freedom to have civilized debates, in which the so-called "dissidents" have a place and role to fulfill. The limits of debates are determined by our constitutional order and our laws.

The current international conditions for the implementation of our efforts and for the consistent realization of our reforms are much more favorable than previously. The emergence of a deep restructuring process in the Soviet Union is a particularly important development. The 19th CPSU Conference confirmed the guidelines of restructuring and glasnost. My recent talks with General Secretary Mikhail Gorbachev proved that the logic and direction of the Hungarian and Soviet reforms are practically identical, and the concrete steps aimed at implementing these reforms show a growing similarity, and are even identical in many cases. The fact that similar

processes are also under way in China, Poland, and elsewhere confirms the correctness of our concepts. All this means that we must no longer take account of the external, hindering effects of the past 2 decades, effects that, in addition to our inconsistency and mistakes, have contributed to the slowdown and sudden halt of the reform process we began in 1968.

We also find it favorable that Hungary's reform endeavors are followed with interest and even sympathy in the West, and we have also sensed the West's readiness to contribute to the implementation of our programs by broadening our relations and widening our cooperation, strictly based on mutual advantages, of course.

The improvement in Soviet-U.S. relations, and subsequently in East-West relations, is an important element of the current international conditions which are more favorable for us, and this improvement has increased our scope, just like the scope of other small countries.

In harmony with the economic and political reform process, and making use of the favorable developments in international conditions, we are accelerating our foreign policy activity and increasing its openness.

We are striving to contribute to deepening the current positive international trends and to making them irreversible. Within our alliance, we take part in working out initiatives aimed at promoting arms reductions and disarmament, and at strengthening international security. We consider it vital to further reduce nuclear arms, to eliminate chemical weapons, and to settle local conflicts. Due to its situation, Hungary has a particular interest in starting as soon as possible the reduction of conventional arms and forces, and Hungary desires to be involved as early as it can in the first phase of this process.

Hungary's ties to Europe are 1,000 years old. A fundamental aim of our foreign policy is to promote all-European cooperation. We took an active part in starting the Helsinki process and in working out the Helsinki Final Act and we try to observe its principles and recommendations in all areas. At the CSCE follow-up conference in Vienna, our representatives are working to achieve an agreement that contributes to the consolidation of security in Europe, building of confidence among the countries involved in this process, and deepening economic, technical, scientific, environmental, cultural, informational, and humanitarian cooperation.

The same efforts characterize our bilateral relations. As a result, in recent years, our cooperation with almost all Western European countries has increased considerably, and we have started to build relations with organizations of the Western European economic integration.

Today, we are still unable to clearly describe the Europe of the future. It is my conviction that, along with the integration process, the awareness of identity of individual peoples, nations, and national minorities in Europe will also strengthen, as will the multicolored cultural and national traditions in Europe. Stable frontiers continue to be the basic condition for security in Europe, but I hope that the dividing role of European borders will decrease. Respect and concern for the intellectual and material value of the European cultural heritage will increase. If we demolish relics today, whether they are village churches or peasant houses, we will deprive future generations of their cultural heritage. It is particularly important to respect and mutually protect each other's relics, language, and culture, and to increase the openness of borders between neighboring countries. We intend to develop our relations with our neighbors by being aware of this and by building the Europe's future.

I think that the more favorable international atmosphere and the aforementioned changes in Hungary could encourage the development of Hungarian-U.S. relations even more. It is particularly important to achieve progress in our economic, technical, and scientific cooperation. On our part, we are ready to take more fully into consideration the interests and requirements of our economic and trade partners in the United States.

A characteristic of Hungarian-U.S. relations is that there have always been human contacts in the midst of the ups and downs of official relations. The millions of Hungarian emigres and their offspring have also strengthened these contacts. With their activity and work, these people have contributed to the U.S. economy and its cultural and scientific life. It is perhaps not immodest on the part of Hungarian society to ask that this material and intellectual capital should also contribute to the strengthening of Hungarian-U.S. cooperation and to the implementation of the Hungarian economic renewal as soon as possible.

To Strengthen Our Cooperation [subhead]

I can say with satisfaction that such steps have already been taken. I refer here to the Soros Foundation or the Manager's Instruction School to open in Budapest soon. Here I would like to point out that Mr Palmer, the U.S. ambassador to Hungary, who is an outstanding diplomat and represents U.S. interests in Hungary at a very high level, is playing an important role in discovering the desirable new trends of Hungarian-U.S. relations.

Taking advantage of the honor of the U.S. Administration's invitation, I have come to the United States to get acquainted with the life of Americans, the results and organizational methods of their economy, and with the way of thinking of the U.S. political and economic leadership. I do not hide the fact that we would also like to acquire some experiences that could be used in Hungary, too. At the same time, my goal is to present Hungary's situation and the efforts of its leadership, and

draw the attention of U.S. political and business circles to the cooperation opportunities offered by our programs aimed at renewing the Hungarian economy.

I hope that this meeting will also contribute to increased U.S. interest toward the possibilities of cooperation with Hungary. I am convinced that, despite the differing size of the two countries, the expansion of economic cooperation, as well as political dialogue and the broadening of technical, scientific, cultural, and humanitarian relations would all serve both peoples.

Meets With Congressional Members

LD2807103888 Budapest MTI in English 0835 GMT
28 Jul 88

[Text] Washington, July 28 (MTI)—Wednesday afternoon Karoly Grosz, HSWP General secretary and prime minister, met members of the foreign affairs commissions of the U.S. Congress. First he met the invitation of the foreign affairs commission of the House of Representatives. At the council-hall of the commission (in the Rayburn building of the House of Representatives) Dante Fascell, president of the commission [title as received] welcomed Karoly Grosz. Answering the questions of congressmen the Hungarian prime minister spoke in details about the reform of the system of political institutions, the development of democratic institutions, and the respect of civil rights. Then he met the Foreign Affairs commission of the Senate at the Capitol. The event was hosted by Claiborne Pell, president of the commission [title as received]. Members of both commissions appreciated that Hungary has made significant moves in order to implement the principles stipulated by the Helsinki Final Act, and that it is striving for extending relations with several countries of the world.

Karoly Grosz handed over the letters of Istvan Stadinger, president of the Hungarian parliament, to the presidents of the commissions.

Then Karoly Grosz held an international press conference at the building of the Hungarian Embassy. In an opening statement he said that the Government of the Hungarian People's Republic has received an invitation from the United State's Government, to be precise from President Reagan, to come on this visit. This visit is an outstanding event in our relationship as it has been 42 years since the last time that a Hungarian Government delegation has set foot on the soil of the United States.

'In the discussions with the President, while we thanked him for this visit and the opportunity of this trip we had expressed our conviction that this visit is the product of the policies which had been set on its course by him, the President and the secretary general of the Communist Party of Soviet Union, Mi! hail Gorbachev. This new era of detente provides not only the superpowers, but also

the small and medium-sized powers with the opportunity to participate in the dialogue. We had expressed that we through our limited efforts wish to contribute to their joint efforts.'

'We have received support from the members of the cabinet and the President, for the proposed political and economic programmes that we envisage for Hungary. The President and his immediate surroundings, have spoken with appreciation of Hungary looking for new roads and directions, of our endeavours whose purpose is to serve the modernization of Hungary's political and economic life.'

'The President has emphasised, and placed emphasis on his appreciation on all the steps we have taken to increase human and civil rights in Hungary. He approved of our nationalities policies, and he has emphasized and called our attention to that in the world, in the future, a great emphasis, will continue to be afforded to matters of civil rights and humanitarian issues. For my own part I personally fully support and agree with this position of the President of the United States.'

'Our visit has been successful, it has reached its goal, we shall return rich in experiences.'

The Hungarian prime minister was asked what concrete promises has President Reagan made with respect to Hungary's political and economic programme?

'First of all the President has reaffirmed the statement of principle by Secretary of Commerce Verity: We may open a trade representation on the west coast of the USA. They will study the various entries on the list for the allowed imports into the USA, the quota. We have received a promise that the structure of the quotas for Hungary, what products may be included, and what volumes, will also be reviewed. We have received support for the purchase by Hungary of some instrument and instrumentation which are very important for the development of the Hungarian economy. The procurement of these instruments had met with certain administrative resistance. In September in Cleveland at the meeting of the U.S. Hungarian Business Council there will be a further study of the opportunities of cooperation and at the upcoming congress of American Society of Travel Agents (ASTA) in Budapest they will seek to prepare an agreement for signing on tourism.' Answering a question Karoly Grosz said that 'as concerns the purchase of airplanes, we are discussing it.'

On a question of the future of loss-making Hungarian companies and the possible unemployment in the wake of restructuring he said: 'This is actually two industries, metallurgy and mining. We have set very strict qualitative prescriptions and where they are unable to meet these goals, we will begin very soon to cut back production. We have already cut back on steel production and we began to cut back on coal mining last year and this

programme continues even today. Now the number of companies that are constant losers is not extensive. At the present there are 60,000 open jobs in Hungary, and every skilled worker looking for a job is offered at least ten jobs, thus the liquidation of these loss-making companies does not create a problem.'

On events in 1956, the prime minister said that the documents on these events had been published decades ago. 'The scientific research into these events I have publicly urged on a number of times.'

In answer to a question by the Polish TRYBUNA LUDU, he said: 'I agree with and support the European disarmament programme of General Jaruzelski. I am fully convinced that on the road towards detente we must allot a high amount of appreciation to partial programmes which together will provide the opportunity for strengthening peace.'

Following the press conference Karoly Grosz attended the reception held by Dr Vencel Hazi, Hungarian ambassador to the USA. Among the guests were William Verity, secretary of commerce, John Whitehead, deputy secretary of state, and other senior government officials. Present were several members of the U.S. House of Representatives, leading businessmen and some renowned representatives of the Hungarian emigration.

The Hungarian prime minister is to finish his visit to the United States on Thursday. At the Arlington Cemetery he is to lay a wreath on the Tomb of the Unknown Soldier, then he is to be seen off at the Washington Memorial. Karoly Grosz and his party will be flown to the Niagara Falls on board of the special plane of the President of the USA. From the Niagara Falls the motorcade of the Hungarian prime minister will leave for Toronto where Karoly Grosz is to hold talks with leading businessmen, and prior to his return home he is to meet the Canadian Prime Minister Brian Mulroney.

Holds News Conference at Embassy

*LD2807213488 Budapest Television Service
in Hungarian 1730 GMT 28 Jul 88*

[Excerpts] Istvan Sandor reports on Karoly Gorsz's program. [passage omitted]

[Sandor] In the evening, Ambassador Vencel Hazi played host to Karoly Grosz, who held another news conference at the embassy. We shall recall some moments of this:

[Begin recording] [Unidentified Reporter] Did you receive only general support from the U.S. side for your economic ideas, or are you going to receive concrete help as well?

[Grosz] First of all, the president reaffirmed the principled stance expressed by Minister Verity at his talks yesterday evening. We can set up a trade mission in the

western United States. They are examining the volume size of the current import list, or, as you call it, the quota size. We have received a promise that they will examine the structure of the quota, that is, its product composition. We were given support for procuring some valuable medicines of great importance for the development of the Hungarian economy. Earlier the procuring of these ran into certain obstacles.

In December, at the session of the business council, possibilities for cooperation will be discussed, and at the conference of international tourist agencies we shall sign a tourist agreement.

[Unidentified reporter] I have two questions: Do you have any plans to buy Western aircraft? And, alongside successful branches, such as the chemical industry, what are you going to do about less successful branches, such as heavy industry?

[Grosz] We are holding discussions about aircraft. As for unsuccessful or uneconomical branches, there are essentially two: metallurgy and mining. We have prescribed strict demands, and where they are unable to fulfill this we shall cut production within a very short time. We have started reducing steel production. We also started cutting the output of coal-mining last year, and we shall continue this year.

The number of loss-making enterprises is not significant. In round figures 27,000 people [as heard] work at loss-making enterprises. This must be compared with 4.8 million wage and salary earners. If you also consider that at this moment more than 60,000 jobs are vacant, and that every skilled worker can be offered 10 jobs at once, the liquidation of loss-making enterprises would not cause a problem.

[Unidentified reporter] You have held discussions with leaders of the World Bank. What sort of support did they promise you?

[Grosz] Our agreement with the International Monetary Fund will be completely fulfilled this year according to our program. If the 1988 program is fulfilled, then the plans projected for 1989-90 will also come in force. Our consultation at the World Bank confirmed that the World Bank confirmed that the World Bank will continue to be at our disposal in the future as well, in the same volume as before, for the realization of projects. I would also note that we have never exhausted the credit possibilities offered by the World Bank. [end recording]

[Sandor] The news conference was followed by a reception. At this moment the special plane carrying Karoly Grosz and his entourage is still in the air on its way to Toronto.

Questioned on Multiparty System

LD2807212588 Budapest Television Service
in Hungarian 1730 GMT 28 Jul 88

[Text] It was after 2230 yesterday when we received the pictures from Karoly Grosz' press conference. We are now going to replay the essential parts of this, partly because we think that at such a late hour not everybody who is interested say it, and partly because we feel that although the scene is a good distance away from us the things said there are still addressed to us. These are also the most important subjects in our daily talks.

[Begin recording] [Unidentified U.S. correspondent in English with superimposed Hungarian translation] Would you tell us about the constitutional reform's principal components which you intend to introduce?

[Grosz] Our present Constitution lays down only in very broad outlines the citizen's scope for movement and his obligation. Therefore we think that this Constitution must be built on a different legal philosophy than the present one. I could put this a different way, by saying that the citizen can do everything not forbidden by law.

[Unidentified correspondent] Can you conceive the appearance of a multiparty system in Hungary one day.

[Grosz] I can imagine all kinds of systems which stand on the platform of socialism and serve the rise of the Hungarian people. The one party or multiparty issue is not an issue of principle. The one party structure in Hungary has evolved historically. It is possible not to like history, it is possible to ignore its facts but it still exists. I do not know what the future will bring. Presently I am endeavoring to learn about tomorrows and the day after.

It is not the primordial task of tomorrow and the day after to have more than one party. However, I said to you at the beginning—and I would like to stress this now, too—that even within the circumstances of a one party system it is possible to operate a political system of institutions which is capable of raising differing opinions and views. The public and the leadership too should be able to work with it, argue with it; the leadership should be able to integrate the values into its system of decision-making. The buds of this exist in Hungary today; the Patriotic People's Front is one of the groups which gathers together all strata of society and ensures freedom of thought. The Law of Association—I emphasize here once more—will be like this, the draft of which will be submitted to the National Assembly in September this year. This will create a possibility for the establishment of all kinds of intellectual and political gatherings within the framework of the Constitution.

[Unidentified correspondent] Can you conceive that under the present the conditions an opposition party could operate in some kind of legal manner and in a lasting form?

[Grosz] A political structure needs a democratic opposition. It needs one because it evaluates the so-called official policy from a different viewpoint, on the basis of different experiences, and from a different approach. With this it extends great help, too, to official policy in view of the fact that it guards the latter from the possibility of making larger errors. At the same time I would like to say unambiguously that in order for an opposition to cooperate and work together with official policy in the interest of the people and for the good of the nation, a high standard of political culture is needed. I feel that in Hungary today one of our most important tasks is the development of such a political culture.

[Unidentified correspondent in English with superimposed Hungarian translation] If the Hungarian people expressed its wish to this end in the parliament, would it be possible that you would leave the Warsaw Pact?

[Grosz] Well, if the parliament decided to pull out, naturally we would leave, but I think that such an issue would be put to a popular referenda. I would vote against it.

[Unidentified correspondent] Gorbachev has many problems with the conservatives. Do you feel safe in respect to your own conservative opposition?

[Grosz] Safe. I think that a decisive majority of the Hungarian public supports our program. I do not say that everybody supports it. Why should it? It is inconceivable. This program offends interests; it works against routines ingrained for decades; it demands new approaches; Marxism must be relearned; what has not proved itself must be declared bad; and what has not proved itself must be declared bad; and what has not proved itself was also done by somebody who does not like it. So why should there not be resistance? However, I believe in the great majority; I believe in the meaning and modernism of our program. I believe that my arguments would find support among the people who think and who are willing to act.

Departs U.S. for Canada

LD2807154088 Budapest MTI in English
1502 GMT 28 Jul 88

[Text] Washington, July 28 (MTI)—On Thursday Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party and chairman of the Council of Ministers, left the United States for Canada. During the ten-day visit he held talks with President Ronald Reagan, Vice President George Bush, several members of the U.S. Government, members of the Foreign Affairs Commission of the Senate and the House of Representatives, leading businessmen and financiers. Besides Washington, the prime minister visited Chicago, Sacramento, San Francisco, Los Angeles and New York. In Boston he met Governor Michael Dukakis, presidential candidate of the Democratic Party. In the American towns he gave a number of lectures, talked to representatives of the

mass media and gave interviews to several television stations. In New York he met representatives of the Hungarian emigration in the United States.

On conclusion of the Washington visit, Thursday morning Karoly Grosz laid a wreath on the Tomb of the Unknown Soldier in Arlington military cemetery. The guard of honour of the American Armed Forces lined up, and the commander of the Washington garrison met the Hungarian prime minister. Grosz greeted the Hungarian national flag raised in his honour. After the two national anthems were played, Karoly Grosz placed the wreath decorated with the Hungarian tricolor. He also visited the memorial museum.

After the ceremony the delegation drove to the city centre, where Secretary of State George Shultz bid farewell to Karoly Grosz on behalf of the U.S. Government. The Hungarian prime minister boarded with military honours the presidential helicopter which landed at the Andrews Air Base near Washington, from where the special plane of President Reagan took him to Niagara Falls, the last station of the visit.

National Assembly's Message to U.S. Congress

LD2807122588 Budapest MTI in English
1023 GMT 28 Jul 88

[Text] Washington, July 28 (MTI)—Message of the parliament of the Hungarian People's Republic to the Congress of the United States of America [subhead]

Dear Congress,

The parliament of the Hungarian People's Republic follows with attention and appreciation the efforts of the Congress of the United States of America, members of the Senate and the House of representatives, aimed at improving East-West relations indirectly concerning Hungary, and deepening cooperation between the nations. Its policy statements also provide an improved international atmosphere for the United States to build bilateral relations, and contribute to settling global and regional problems.

Hungarian public opinion and Hungarian political and economic leadership appreciates the interest and sympathy shown in the United States towards the reform endeavours currently in progress in the country. A pivotal element in this comprehensive process is the renewal of the system of political institutions, including the more consistent assertion of the legislative, policy forming and controlling role of the National Assembly. At the same time, deputies also take part in elaborating foreign policy guidelines for the Hungarian People's Republic. It provides a solid basis and opportunity for this development that both the international activity and the national legislative work in the country are in accord with the international agreements and norms on human rights, including the principles and stipulations of the Helsinki Final Act.

We are glad to state that due to the efforts of the two governments, a comprehensively, lively and fruitful system of relations has been established recently between the Hungarian people's Republic and the United States. The Hungarian Government is determined to further strengthen these relations along with the approach of the two peoples. In its efforts it can rely on the support of the legislators and public opinion. The visit of Karoly Grosz, general secretary of the Hungarian Socialist Workers' Party and chairman of the Council of Ministers, to the United States, should there be similar American intentions, may open a new era in the cooperation between the two countries.

The National Assembly of the Hungarian People's Republic is prepared to take part in the extension of Hungarian-American relations serving the interests of both peoples. The Hungarian parliament considers it desirable that legislations of the two countries play a stimulating role in developing political dialogue, economic, scientific and cultural cooperation and the contacts between peoples. To clarify the political, economic and social processes in Hungary, parliament is also prepared to pursue dialogue with American legislators on Hungarian issues on the agenda of the U.S. Congress including the issues of human rights. It also considers regular exchange of opinions on major international questions necessary and useful.

The National Assembly of the Hungarian People's Republic proposes the two legislative bodies place bilateral contacts on more lasting foundations. The discussion of general and particular questions, and effective exchange of information and opinions should be ensured by more regular personal contacts, work committees or other mutually acceptable forms, thereby strengthening mutual understanding.

The National Assembly of the Hungarian People's Republic voices the hope that its proposals are in accord with the intention and the endeavours of the honoured members of the Senate and the House of Representatives of the United States of America. It considers it important and topical that on behalf of their electors, legislators of the two countries play a more active role in further developing cooperation between the Hungarian People's Republic and the United States of America, and in strengthening relations between the Hungarian and American peoples.

On behalf of the National Assembly of the Hungarian People's Republic: Istvan Stadinger, President.

Statistics on Trade Relations With U.S. Reviewed
AU2507135588 Budapest MTI in English
1435 GMT 21 Jul 88

[Text] Budapest, MTI, 21/07/1988—The Hungarian Central Statistical Office published a report on the development of Hungarian-U.S. trade relations on Thursday.

Over the past four years, between 1983 and 1987, the value of Hungarian export to the USA increased from US \$177 million to 288 million, and imports from US \$223 million to 251 million. In four years the U.S. rose to fifth place from eighth among Hungary's non-socialist export destinations, and from 5th place from 6th in Hungary's imports from non-socialist countries [sentence as received]. The balance of bilateral trade fluctuated in the stated period. Over the period Hungary accumulated a relatively negligible deficit of five million dollars.

The pattern of exports to the U.S., however, is not considered satisfactory. One third is consumer's commodities. The proportion of raw materials for food industry, foodstuff and that of cattle is on the decrease but it still amounts to 20 per cent. It is very unfavourable that the proportion of sophisticated machinery and vehicles has continuously decreased since 1984. This ratio was barely above 10 per cent last year, even though in 1983 it stood at 0 per cent.

Hungarian imports from the U.S. include first of all components, spare parts and basic materials necessary for production.

It is a recurrent problem when Hungarian and U.S. statistics are compared on two-way trade, statistics differ. For instance, some U.S. companies export to Hungary through their European subsidiaries. Consequently, import only features in the tables that show overall export figures for Europe. By contrast, Hungarian statistics carry all items sold to the United States.

Trade Relations With Canada Analyzed
AU2707133888 Budapest MAGYAR NEMZET
in Hungarian 25 Jul 88 p 5

["K.B." signed article: "Hungarian-Canadian Economic Relations—Miniature Nuclear Power Plant and Ikarus Buses"]

[Excerpts] [Passage omitted] The turnover of goods between Hungary and Canada has increased in recent years, and in 1987, it increased by an overall 6.2 percent, including an almost 5 percent increase in Hungarian exports and a more than 10 percent increase in Hungarian imports. The more than \$30 million Hungarian trade surplus is a clear success for us. Taking into consideration the fact that we have achieved this trade surplus with a developed capitalist country, we could even be proud had it not been for the really modest percentage of each country's share in the other's trade. According to this, Canada occupied 29th place in our exports, and 36th place in our imports in 1987. Hungarian firms represent 0.03 percent of Canadian imports, and Canada represents 0.3 percent of Hungarian imports. Both sides are striving to expand their relations. [passage omitted]

The nuclear agreement signed by the two governments in November 1987 was an important event; the agreement regulates the peaceful use of nuclear energy, its development and application. [passage omitted]

There has been an improvement in the structure of our exchange of goods, including primarily an improvement in Hungarian exports: We are exporting increasingly higher quality products to Canada. One quarter of our exports is made up of machines and installations, and one third is made up of consumer goods. In spite of the strong competition in this field, the products of our pharmaceutical industry, sheet metal products, and textiles have a good position in Canadian imports. Our export of buses is particularly good, with 122 buses purchased by Canada in 1987.

We import primarily drilling installations, oil industry machines, hides, and basic pharmaceutical industry materials. [passage omitted]

The key to developing our cooperation is primarily the production of an increased amount of competitive articles here in Hungary. [passage omitted]

Ministry Spokesman on Warsaw Pact, Gulf
LD2207185088 Budapest MTI in English
1547 GMT 22 Jul 88

[Text] Budapest, July 22 (MTI)—The spokesman of the Ministry of Foreign Affairs spoke of the session of the political consultative body of the Warsaw Treaty, and the latest developments in the Iraq-Iran conflict at his usual Friday international press conference in Budapest.

Answering questions on the issues discussed at the session of the consultative body of the Warsaw Treaty, Istvan Komoroczki said that the Foreign Ministry of the Hungarian People's Republic backs the Soviet proposal that should NATO give up its plan to deploy F-16 bombers in Italy, the Soviet Union is prepared to cut the number of its aircraft of similar category deployed in Eastern Europe. Hungary considers the proposal realistic and justified and a good basis for negotiations. The deployment of F-16 bombers is against the intentions of mitigating confrontation. According to the Foreign Ministry the implementation of the proposal and success of negotiations to the response of the Warsaw Treaty could constitute a move towards the establishment of parity. Hungary also supports the idea of setting up a centre to reduce threat in Europe, said the foreign affairs spokesman, and considers it to be the first step towards a joint structure of security and confidence established together with the West, which would prevent any surprise attack on our continent.

Istvan Komoroczki underlined that for Hungarian foreign policy the most timely issue is the reduction of European armed forces and conventional armaments, and the soonest possible opening of the related talks. In this context the Hungarian People's Republic considers

it a pressing task to finalize the mandate of the forthcoming talks on conventional disarmament at the Vienna deliberations of the Group of 23. The foreign affairs spokesman also took a stand for the soonest possible completion of the Vienna follow-up with a meaningful, balanced final document. On the framing difficulties of the document he said that the Hungarian side considers the draft final document based on compromise and tabled by the neutral and non-aligned countries as acceptable for signature.

Istvan Komoroczki recalled that in Warsaw, Hungary tabled a proposal on the establishment of special committee in charge of cooperation in human rights and humanitarian issues. According to plans, the committee would provide opportunities for exchange of information on the state of human rights and humanitarian cooperation, he said.

The tasks of the committee would also include the elaboration of proposals on human rights and humanitarian issues. The consultative body has commissioned a ministerial committee to consider the proposals and a session of the committee will be held in Budapest in the autumn.

The foreign affairs spokesman said that the Hungarian public received with great interest and satisfaction that Iran is prepared to accept unconditionally Security Council Resolution No. 598, which calls on the belligerent parties for immediate ceasefire and the withdrawal of troops behind the borders of 1980. Istvan Komoroczki recalled that Hungary has taken a stand for the settlement of the conflict with peaceful, political means from the outset. The spokesman pointed out that the Iraq-Iran war impedes the development of relations between the Hungarian People's Republic and the two countries. Hungary sincerely hopes that following the restoration of peace its relations with the two countries will develop undisturbed, and reciprocally beneficial cooperation further expand.

Answering questions of Hungarian and foreign journalists Istvan Komoroczki said that Hungary intends to participate in the process of disarmament, in the framework of the measures aimed at building security and strengthening confidence in Europe we expect the member states of the NATO and the Warsaw Treaty Organization to reduce armaments in parallel action. This was also underlined by the Hungarian Prime Minister Karoly Grosz on his visit to the USA, when he denied that Hungary is to unilaterally cut armaments.

A correspondent asked whether there were differences of opinions at the Warsaw Treaty summit and whether Gorbachev's new thinking and the consequent disarmament proposals were backed by the minority as reported by the western media. Denying the rumours, the spokesman said that the delegations to the Warsaw meeting

assured Gorbachev's proposals of their general support. To hold a meaningful discussion, however, the effect and the military policy and technical aspects of the proposals must be precisely specified.

The spokesman reconfirmed that Hungary would be prepared to host a Soviet-U.S. summit but was not aware it was a current issue.

A correspondent asked the spokesman on the nature of the visit to Israel by Istvan Szabo, member of the HSWP Political Committee and chairman of the National Council of Agricultural Cooperatives. He referred to Western news agencies quoting Istvan Szabo as saying that Hungary committed an error and caused grave national economic problems when it broke off diplomatic relations with Israel. The spokesman said that Istvan Szabo was visiting Israel as the president of a cooperative farm with the desire of promoting economic cooperation. He recalled that in 1967 the majority of the Warsaw Treaty countries broke off diplomatic relations with Israel in a coordinated move. Komoroczky emphasized that it is not expedient at the moment to revise the decision, and that is a separate issue how conditions of peaceful settlement can be created and contacts between people guaranteed in bilateral ties. The spokesman pointed out that the agreement between Hungary and Israel on the establishment of representation offices formed part of this process.

A number of journalists asked whether Hungary saw a possibility for settling its relations with Romania within the Warsaw Treaty. The spokesman recalled that Hungary has repeatedly expressed that it seeks a solution through a bilateral dialogue. We hold that the Warsaw Treaty is not a suitable forum for such a dialogue but would not like to resort to external mediators to settle the problems.

The spokesman denied the Western press report that the relation between the Hungarian state and the churches has deteriorated. The Foreign Ministry has no information on any tension or conflict whatsoever. There might be polemical manifestations, he said, but that does not mean a confrontation. On the contrary, scope should be given for expressing different opinions and personal standpoints.

TU Secretary Urges Conference To Enact TU Law
AU2007181888 Budapest NEPSZABADSAG
in Hungarian 16 Jul 88 p 21

[MTI report: "National Conference of Iron Workers Trade Union Secretaries—Trade Union Law Proposed"]

[Text] On 15 July, a national conference on renewing the trade union movement was held at the headquarters of the Iron, Metal, and Electric Power Industry Trade Union. The conference was attended by more than 300 trade union secretaries representing 600,000 employees at the ironworks.

Laszlo Paszternak, secretary general of the Iron Workers Trade Union, stressed that the introduction of the tax system, increasing inflation, and the impending danger of unemployment have increased dissatisfaction in society and in the present situation, and more and more attacks are being made against the trade union movement, too. Renewing this movement is the justified right of the members and is urgently needed for the development of society. Reorganization has already started in state management, and now it is the trade union's turn. He thought it was necessary to enact a trade union law which should also contain the right to strike, among other things.

After this, Paszternak spoke about wage reform issues. He criticized the existing system of wages, which has not given enough incentive or been able to control the purchasing power; consequently prices must be adjusted retroactively. He thought that it was important to implement, within the framework of the wage reform, the principle of equal pay for equal work in the basic wages, but at the same time the wages should also cover the extended reproduction by the manpower [sentence as published].

Sandor Nagy, secretary general of the National Trade Union Council [SZOT], participated in the conference. He said that the trade union movement cannot accept sole responsibility for the wrong decisions made in the past, but it has contributed to the situation through its activities. It is necessary to convene a SZOT conference in the fall because the difficulties which are surfacing increasingly frequently should be resolved so as to represent the members' opinions.

During a session held by the central leadership of the trade union which preceded the national conference, and according to previous decisions adopted by this body, the position was taken that as opposed to the SZOT decision foreseeing the possibility of increasing members' contributions for recreational facilities during the last quarter of the year, the body will not raise these contributions until the end of the year. The extra expenses will be incurred by the Iron Workers Trade Union.

TU Disagrees With Increased Interest on Loans
AU2107103988 Budapest NEPSZAVA
in Hungarian 20 Jul 88 p 4

[Interview with Peter Fahn, deputy head of the Department of Economic and Living Standard Policy of the National Trade Union Council, by Gorog: "The National Trade Union Council Disagrees With the Increase in Interest on Loans."—date and place not given]

[Excerpts] Since the flow of credits to the population has increased much more than planned, in order to maintain our financial balance, the interest paid on private loans will increase beginning with 18 July—the government

decided. Personal credits for construction and the purchase of goods will cost more, and the term of bank loans for the construction or purchase of new housing will be reduced from 15 to 10 years, and for other construction purposes and plot purchases, from 10 to 5 years.

All of us find it hard to put up with this news, but these changes hurt the young people most, people who need a lot of help to start independent life. What is the position of the trade union on these changes? —We asked Peter Fahn.

[Fahn] The Finance Ministry sent us the proposal of the Council of Ministers on halting the outflow of credits to the population at the end of June. We did not agree with this proposal, although we are aware that this proposal could hardly be avoided. We have submitted our observations to the Finance Ministry.

[Gorog] How did you justify your disagreement?

[Fahn] In addition to the obvious economic and financial reasons, we pointed out that the fact presented in the aforementioned proposals, according to which there has been an increase of 6 billion forints in credits in the first 4 months of the year, was not at variance with the 32 billion forints planned for the entire year. We proposed that, instead of taking restrictive measures, the Finance Ministry should work out progressive and encouraging proposals for increasing the stock of savings accounts owned by the population. Generally, it is our opinion that a more efficient solution has a more encouraging effect than punitive and restrictive measures. [passage omitted]

[Gorog] How were your observations received?

[Fahn] Our opinions were not taken into consideration when the material was finalized, but our counter opinions have been presented in the proposals. We continue to "bombard" the government with our observations and the results of our examinations. We think that, later, when we will have a more favorable budget or when other economic processes justify it, the government will also consider a reduction in the interest paid on credits.

Gasoline, Fuel Prices To Rise 26 Jul
LD2507213188 Budapest MTI in English
1810 GMT 25 Jul 88

[Text] Budapest, July 25 (MTI)—The Hungarian Council of Ministers has decided to increase the consumption tax imposed on petrol and gas fuel. In the wake of the measure, the consumer price of petrol is to go up by 2 forints and that of gas oil by 1.30 forints on July 26, 1988.

The higher consumption taxes are to increase the revenues of the central budget by 3,700 forints this year. The costs of economic organizations and public institutions are to increase by 2,600 million forints and those of individuals by 1,100 million. The measure raised the 1988 consumer price level by 0.2 percent. To prevent the deficit of the central

budget from exceeding the target, an additional revenue of 10,000 to 12,000 million forints must be generated, partly through a reduction in subsidies.

It is another argument in favour of the price rise that the 6 percent devaluation of forint against the convertible currencies on July 19 would have made it cheaper for the foreigners to buy petrol and gas oil which are purchased by Hungary against the delivery of convertible hard products. Petrol and fuel prices are still higher in the West European countries than in Hungary.

TU Leaders Concerned About Price Rises
LD2607104988 Budapest Domestic Service
in Hungarian 1000 GMT 26 Jul 88

[Text] [Announcer] I hardly need to give much detail about the way car owners have received the increase in the price of gasoline. In the view of trade union leaders, the original intention to maintain the planned 1988 price level is in danger. At today's consultation between SZOT and other branch trade union leaders, SZOT leaders expressed concern that the devaluation of the forint and the announced increase in price of fuel places a burden on the population at a time when a budget deficit has been created not by the increased income of those living on wages and salaries. The deficit, in the judgment of the trade unions, is due to other circumstances of economic management.

The trade union leaders consider it offensive that they were not given information prior to the decision, nor were their opinions solicited. The unions are asking for detailed information about measures planned for the rest of the year, about the expected shaping up of the consumer price index. They consider it necessary for the Council of Ministers to formulate its stand on the agreement reached at the recent meeting between SZOT and government leaders to counter price rises in excess of the 15 percent planned for 1988. They sent a letter about their stand to deputy premier Peter Medgyessy, who acts as deputy to the absent chairman of the Council of Ministers.

More TU Concern About Price Policy
LD2807164188 Budapest Domestic Service
in Hungarian 1000 GMT 28 Jul 88

[Excerpts] After the government decision to increase gasoline prices, the leaders of the National Council of Trade Unions [SZOT] sent a letter to the deputy premier, saying they do not agree with the measure and object that this was done without asking them.

Gyorgy Ney has spoken to (Otto Piligyi), head of a department at the Trade Union Scientific Research Institute. [passage omitted]

[Begin recording] [Ney] Why do you think the government has now bypassed the trade union leadership?

[(Piligy)] There is no law on interest representation, there is no law on trade unions, and it is not precisely determined what the sphere of questions affecting the fundamental interests of workers means. According to us, the exchange rate also concerns interest representation; 5 percent devaluation of the forint brings a price rise of at least 4 percent at home. So, there is almost no economic policy question in which we—after all we represent 4.5 million people—do not have the right to have a say.

The government says about everything that this is a technical question. So they introduce a progressively banded personal income tax and they believe this is technology. From the trade union's viewpoint, this means that they have devalued qualified work, given greater worth to work of no value, and they have taken away people's inclination for overtime. Or for the example, monetarism to the government means that I pay out the money [words indistinct]. It is pure technology. They manage to solve nicely the financial processes which hinder the natural processes. For example, the buying of grain—now it has transpired that the tax office does not accept promissory notes.

[Ney] Is there a great deal of discord between the representatives of the government, the trade unions, and the scientific institutes of the trade unions? You have, not for the first time, said the state and us, them, us, with them with us.

[(Piligy)] Well, I have been working in this sphere of work for 20 years, and this has always existed. However this has only been so acute for 2 or 3 years now, since this new voluntary monetarism, financial regulating has gained the upper hand in Hungary. Not a single condition for this exists, except for the fact that only about 10 people in Hungary are experts in this monetary policy. [passage omitted]

[Ney] Many people say that the trade unions, while trying to represent the interests of the trade union membership, are increasingly becoming an obstacle in the way of reform. They are against cutbacks, against the dismissal of workers, against price rises, so they do not really help the economic processes which the reform is aimed at.

[(Piligy)] We do not have such a task either. We are an interest representation organization. [passage omitted]

The manufacturing cost of gasoline has not gone up but down. And the state has even up to now made huge profits on this. This was counted as a fiscal item, such as beer or palinka. Beer, of course is nothing but froth and turnover tax. So this is a characteristic budget withdrawal: it is not the ripple effect of high prices.

[Ney] The government has said this, too.

[(Piligy)] All right. The government also says that is has not taken in as much money from personal income tax as it counted on. Well, why did it count on getting so much? Who understands this? The tax content of wages can be calculated exactly, they get this monthly. But a state budget can bear displacements of time—say of 2 months. It can bear this to a measure of 10-30 billion forints. So the interpretation must not be gained that they look every day to see if the budget is balanced. You can have a 20 billion surplus one day and a 50 billion deficit the next. But according to today's financial conception, the government wants to make a daily balance.

Perhaps you can sense the differences in conception. I would like to draw the listeners' attention to the fact that this is not a trade union view that I am stating here, but the view of many people. It is not an official trade union standpoint but the standpoint of many scientific researchers, and people in the party apparatus hold views similar to mine. [end recording]

Bank Officials on Financial Situation
LD2407194188 Budapest MTI in English
1805 GMT 24 Jul 88

[Text] Budapest, July 24 (MTI)—Janos Fekete, first vice-president of the National Bank of Hungary, gave an interview to "VASARNAPI HIREK" (SUNDAY NEWS) on the Hungarian stock of debt and the financial situation of the country.

Among other things Janos Fekete said: 'We are facing severe balance of payments deficit both at home and abroad.' (...) 'I would, however, object to labelling our situation with the word 'crisis'. (...) 'Up to date we have met our financial obligations and we are to maintain our credit solvency. Production is undisturbed in the country and a good agricultural crop is being harvested. Large foreign companies are prepared to set up joint ventures. Apart from temporary shortages, commodity supply is acceptable even in international comparison.'

'Our gross hard currency stock of debt stood at 17,700 million dollars at the beginning of the year. The net stock of debt, that is the sum after the deduction of our hard currency and gold reserves along with our current assets, amounted to 10,900 dollars. On June 30th, 1988, gross stock of debt stood at 16,700 million dollars and the net stock at 10,400 million.' The improvement, however, is largely due to the favourable development of exchange rates, said Janos Fekete.

'The service of interest payments and repayments of principal worth 2,000 million dollars becomes due this year. In addition we have to finance our current account deficit worth 500 million dollars. That is in aggregate further 2,500 million dollars are needed in medium and long term loans to finance the national economy without using our reserves. In the first half of the year we have

already taken loans worth more than half of this sum. Our agreements with various commercial banks, the Monetary Fund, and the World Bank together with other offers cover our credit demand for 1988.'

'Recently we have preferred medium and long term loans. Due to the longer maturity, loans worth 2,000 million dollars became due this year against the 2,500 dollars in 1987. In the years to come this sum is to further decrease.

Janos Fekete also said that the ratio of debt calculated in Deutsche mark, Yen or Swiss Franc has increased and thus, because we compute the stock of debts in dollars, the figures give a darker picture than the real situation. As soon as dollar gets stronger against the above mentioned currencies our debt situation will also improve.

Report on Formation of Stock Exchange Council
LD2707100588 Budapest MTI in English
0845 GMT 27 Jul 88

[Text] Budapest, July 27, 1988 (MTI-ECONews)—The Stock Exchange Council and a committee on ethical conduct were elected late Tuesday for the Budapest Stock Exchange expected to start working on January 1, 1989.

The Stock Exchange Council consists of seven members, its chairman is Mr Zsigmond Jarai, deputy general manager of the Budapest Bank, and its members are: Mr Laszlo Antal, Mr Lajos Bokros, Mr Kalman Debrecei, Mr Gabor Kepecs, Mr Georgy Ivanyi, all senior banking personalities, and Ms Ilona Hardy, the leader of the Secretariat for Trade in Securities that has run the so-called "Dealers' Day" since early this year.

The council was elected by a general assembly of the representatives of the financial institutions that have arranged the Dealers' Days, as well as of the Ministry of Finance.

The agreement on the establishment of the Dealers' Day was signed last December by 22 financial institutions but their number has grown to 26 by now.

Members of the Stock Exchange will hold two general assemblies a year and in the interim period the council will pass decisions on important issues.

The council is answerable to the general assembly which elects its members and can call them back. Its jurisdiction lies somewhere between the Secretary for Trade in Securities which tends daily administrative business and the general assembly. Issues are decided by the general assembly with a simple majority vote but for any amendment in the Stock Exchange Charter must be endorsed by two thirds of the votes. [sentence as received]

The council's role is to work out the charter for trade in securities.

The general assembly confirmed plans to make it possible for other institutions and private persons to deal in securities. It is likely that foreign companies and individuals may also participate in the Hungarian Stock Exchange from next year onward.

On the usual Dealers' Day Tuesday business was slack. Private buyers continued to flee from bonds with longer maturities because their interest rate lags behind that of savings bank accounts and treasury bills. Rates are hardly above 90 per cent of the nominal value.

Trading was slack also because banks dealing on the secondary market check the average rates of bonds every week and they can float them either way with no more than 0.5 per cent, so this year there is no chance for the kind of profits from rate changes that last year saw.

Trade was somewhat brisker in company bonds.

About three or four companies trade their shares on the Dealers' Day and about between 10 and 20 per cent of the trade in bonds and shares takes place on the Dealers' Day.

The total turnover of trade conducted on the Dealers' Day in the past six months is 600 million forints (about USD 12 million).

Olechowski Meets Bush, Other Officials in U.S.

*LD2807195288 Warsaw PAP in English
1917 GMT 28 Jul 88*

[By PAP Correspondent Jerzy Gorski]

[Text] Washington, July 28—Poland's Foreign Minister, Tadeusz Olechowski, who is currently visiting the United States at the invitation of Secretary of State George Shultz, was received today by Vice-President George Bush and held the first round of talks with his host.

Also today, Olechowski met with the president of the World Bank, Barber B. Conable, and the deputy managing director of the International Monetary Fund, Richard D. Erb. The meeting was a continuation of the talks held in June by Deputy Premier Zdzislaw Sadowski. Further talks concerning relations between Poland, the IMF and the World Bank will be held in the fall.

Also on Thursday Olechowski conducted talks with the U.S. secretary of commerce, William Verity, on detailed elements of Polish-U.S. trade relations. The two expressed the conviction that the time has come for the concretization of U.S.-Polish trade relations. William Verity agreed that in order to import from the United States, Poland must also have a possibility to export there.

During Olechowski's meeting with the director of the United States Information Agency (USIA), Charles Wick, the sides concentrated on issues connected with the cultural exchange between Poland and the United States, especially in film and theatre.

Foreign Ministry Spokesman on Iran-Iraq War

*LD2907112088 Warsaw PAP in English
0938 GMT 29 Jul 88*

["Foreign Ministry Spokesman on Possible End of Iran-Iraq War"—PAP headline]

[Text] Warsaw, July 29—Poland welcomed with satisfaction Iranian Government's acceptance of U.N. Security Council's Resolution No. 598 of July 20 1987. The resolution specifies conditions indispensable for putting an end to the 8-year long devastating war between Iran and Iraq and restoring peace in that region.

Let me recall that we have been expressing our definite disapproval of this war in all our contacts, for a considerable time. We have been calling for quick ceasefire and integral implementation of the provisions of the resolution No. 598.

Simultaneously, we have offered full support for mediation efforts of the U.N. secretary general. Presently, we extend this support with even more determination. In accordance with U.N. secretary general's proposals, we

consider participation of Polish officers in a U.N. military observation unit. [sentence as received] We assess that Iran's decision creates favourable conditions for a just end of the war. We appeal to Iran and Iraq for an immediate ceasefire, withdrawal of their troops to international frontiers and entering into peace talks.

Poland is interested and declares her readiness to develop friendly relations and mutually profitable cooperation with all the Gulf states.

Government To Establish Ties With EC

*LD2207211588 Warsaw PAP in English
1949 GMT 22 Jul 88*

[Text] Brussels, July 22—Polish Government today informed the European Commission about its intention to establish official relations and accredit its permanent representative at the European communities in tune with the spirit of decisions comprised in the joint EEC-CMEA declaration of June 25, this year.

Agreement Signed To Join World Bank Association

*LD3006025788 Warsaw PAP in English
1052 GMT 29 Jun 88*

[Text] Washington, June 29—Polish Ambassador to the U.S. Jan Kinast signed here on Tuesday an agreement on Poland's joining the International Development Association, one of World Bank's specialized agencies dealing with credit activities in the developing countries. The signing of the document confirms Poland's full participation in all of the World Bank's agencies.

Poland's membership in the International Development Association reflects the country's striving towards cooperation with all developing countries in the implementation, in those countries, of World Bank's economic ventures.

Agreement With Western Banks on Debt Rescheduling

*AU2507154988 Warsaw TRYBUNA LUDU in Polish
21-24 Jul 88 p 4*

[PAP report: "Poland Has Concluded an Agreement With Commercial Creditor Banks"]

[Text] PAP London correspondent Marian Kuklinski reports: An agreement between Poland and 600 Western commercial banks that are Poland's creditors on a rescheduling of Poland's entire debts to these banks was signed in London on 20 July. The sum involved amounts to \$9 billion, 23 percent of what Poland owes the West. Repayment was rescheduled over 15 years, which means that the final installment will be paid in the year 2002.

Under the agreement, Poland will repay the debts in unequal installments. Initially, these will be very low, amounting to 1 percent, 1.5 percent, and so on of the principal sum, and increasing in the following years.

A very important part of the agreement is that Poland has won a considerable reduction in the rate of interest, slightly less than half the former rate. While the former interest rate was an average of 1.7 percent above the base rate, it has now been reduced to 13/16 percentage points, slightly above 0.8 percent. Given the size of the sum whose repayment has been deferred, the savings thus achieved will amount to \$70-80 million per year.

The agreement was signed on behalf of the Polish Government by Andrzej Dorosz, undersecretary of state for finance. Representatives of the Polish Trade Bank and Polish National Bank also signed the document.

A. Dorosz told PAP: An important new element of the agreement also lies in the expanded possibility of "managing" the debt by taking advantage of new financial operations, for example converting the debts into shares in Polish enterprises or into securities. However, these possibilities will only be used if there are partners willing to participate in such operations. Those possibilities did not exist before, so the fact that they exist now means increasingly flexible cooperation between Poland and the creditor banks.

Wednesday's agreement should be considered a factor which stabilizes Polish foreign economic relations. It is true that Poland's debts toward commercial banks make up only slightly more than 20 percent of our total debts, and the agreement does not solve all our problems, but the creation of more stable conditions for cooperation is of major importance. This stabilization is also important in order to provide a better basis for cooperation between Polish manufacturing and trade enterprises and foreign partners, because their transactions are also cleared by the banks. In view of the fact that we are aiming to expand trade relations with foreign countries, including the West, an agreement like this has to be considered a major element that facilitates such a policy.

Will the London agreement have any bearing on our talks with the IMF and World Bank? asked the PAP correspondent.

Any program of cooperation between Poland and the IMF and World Bank must involve stable solutions concerning our former debts, replied A. Dorosz. Poland is counting on credits from the IMF and World Bank, and one cannot imagine sensible cooperation with them unless the question of former debts is solved. Therefore, one should consider the London agreement as one of the factors necessary to expand cooperation with these international institutions.

Gorbachev Invites Shipyard Workers to Moscow
LD2807212288 Szczecin Domestic Service in Polish
1500 GMT 28 Jul 88

[Excerpt] At the Adolf Warski Shipyard today, Soviet Consul Yevgeniy Popov handed over an official invitation for the shipyard's workers sent by General Secretary of the CPSU Central Committee Mikhail Gorbachev.

[Begin recording] [Popov] We remember those magnificent moments, when Comrade Gorbachev was here, in Section K-2. The chance to meet you (?arose) and the question was put during that pleasant conversation, on your part, on the part of Comrade Czaplicki in fact, about the possibility of a trip to the Soviet Union.

[Czaplicki] I told him that, in this section, there was a broad, well-knit collective and that it was part of our tradition to visit the most important places in the country. We have been to the Central Committee, the Sejm, the Council of State—but there is a city which, although distant in kilometers, is closer to our hearts than Bonn or Paris: That is Moscow, and we have never been in the Kremlin, Comrade Gorbachev. At the moment, Comrade Gorbachev—I stopped listening to the translator, for I thought I'd understand it very easily—but I heard him say either that's settled or that can be arranged.

[Popov] No, what he said was: I think that's settled, then, isn't it, Comrade Jaruzelski?

[Czaplicki] One probably remembers these most important (?moments) to the end of one's life, doesn't one? (?When I made) that request, I think I put it like this: The authorities are not judged on their good intentions, but on their effectiveness, and that is why we want this outcome and we request it.

[Unidentified voice] What do you hope to get from this visit to Moscow?

[Unidentified voice] Sightseeing in Moscow itself; meeting people there, the working class. You can get a lot from that because friendship is created when people meet each other directly. [passage omitted] [end recording]

Significance of Gorbachev Visit Reiterated
AU2807132588 Warsaw RZECZYWISTOSC in Polish
24 Jul 88 p 2

[Piotr Olejnik commentary: "Implications of Gorbachev's Visit"]

[Text] After the April-May strikes, Poland attracted the prime attention of the world's mass media for the second time this year when M. Gorbachev visited our country recently.

The visit, which was an extremely important event for Polish-Soviet relations, had a number of very significant international aspects connected exclusively with the person of our guest, whose every action and step are followed with extreme interest by the world public, regardless of whether they concern the USSR's internal problems or foreign policy. This is nothing surprising if we consider the enormity of the cause promoted under M. Gorbachev's leadership by a superpower, which is so crucially instrumental in the present international relations. The development and the final implementation of that cause are already of decisive significance for the USSR, for the socialist community, for socialism in general, and for world relations.

During his Polish visit, Gorbachev developed one of the important aspects of implementing that cause, and that was why his visit assumed an international character. That aspect was, of course, the proposals M. Gorbachev made in the Sejm with regard to promoting disarmament, diminishing tension in Europe, partially reducing the NATO and Warsaw Pact strike air forces, creating a center for analyzing tensions and conflicts in Europe, and searching for ways to relax and eliminate them. All this is new, important elements of what M. Gorbachev calls efforts to build a common European home and what our diplomacy calls the Europeanization of Europe. There is no doubt that it will be necessary for us to frequently come back to these proposals.

Of course, it is not without significance that those proposals were made in Poland and in the Sejm, which is our supreme legislative body. This fact is no doubt an expression of the recognition of Poland's considerable contribution toward the policy seeking to promote a new phase of detente in Europe and in the world, and toward the new thinking in the international arena. On every possible occasion, M. Gorbachev has always stressed the need for the new thinking, with regard to which we have something to be proud of—the Rapacki Plan through the Jaruzelski Plan. What is also significant in this connection is that W. Jaruzelski offered to host in our country the center, proposed by M. Gorbachev, which would work to reduce European tension and to build mutual confidence between the two opposing military-political blocs.

While commenting on the international aspects of the Gorbachev visit, it is impossible to ignore the fact that it also was a kind of external expression of the changes now taking place in the states of real socialism. The leader of the country that is implementing its revolutionary restructuring paid a visit to the country that for 7 years has continued to realize its socialist renewal, which is close in spirit to restructuring. The official speeches made by the two statesmen, the commentaries of observers, and the less formal meetings, including those at the press center, stressed this similarity and the mutual support that the two partners walking the road of radical economic and political changes continue to give each other.

There is no place and need in this article to expatiate on the renewal processes, which are changing the image of socialism and demonstrating that time has worn out and made discardable the ways by which socialism has functioned and has been thought about. Such unprecedented events in Polish-Soviet relations as M. Gorbachev's speech in the Sejm or his meeting with intellectuals in the Royal Castle in Warsaw are of sufficient significance in this connection.

That speech and that meeting clearly demonstrated the changed spirit of those relations and attested to the nature of the profound changes taking place in our countries, to our increasing partnership, to the ever growing candor and informality of our mutual contacts, to the ever more crucial role of representative bodies in our two countries' political systems, and to the development of socialist pluralism. Both in the Sejm and in the Royal Castle, M. Gorbachev also addressed those people who often loudly proclaim that they want to have nothing to do with many aspects of Polish or Soviet reality. He spoke and gained approval, which is not without significance. In his speeches he discussed the subjects that not so long ago were still considered the taboo subjects of Polish-Soviet relations. W. Jaruzelski, who has his own personal experience in this regard, also discussed such subjects in his Sejm speech. How different was all that from the false ritual and window dressing that we know so well from the past, which is not so distant.

Last April and May, the world dailies headlined Poland as a disintegrated country, one that was shaken by unprecedented difficulties, that stood on the brink of economic and political catastrophe, and that lived up to its name as the sick man of Europe. But last week Poland was a country which is still the largest and closest partner of a superpower, the second most important socialist state, and an important member of the international community. All this does certainly not eliminate our troubles and problems, but our best chance of overcoming them most effectively is to walk the road of bold reforms as a partner and strong ally of the USSR. Combined with Soviet restructuring, this chance has now gained a historic status.

Passport Official on Dual Citizenship, Emigration
AU2807105888 Warsaw TRYBUNA LUDU in Polish
26 Jul 88 p 2

[Tomasz Arleth PAP report: "Alien Status"]

[Text] In recent years, a considerable number of Polish citizens have left the country, taken up employment abroad—and acquired the citizenship of the country of residence. However, such persons have not lost their Polish citizenship because they never applied to the State Council to renounce it. When they return to Poland, they

frequently identify themselves with their foreign passport. How do the border authorities treat them? PAP asked Edmund Liziniewicz from the Passport Office of the Ministry of Internal Affairs this question.

[Liziniewicz] Between 1981 and 1987, over 113,000 Poles left Poland for good, and almost 153,000 left for temporary residence abroad. Over the past 7 years, almost 266,000 Poles have resettled in other countries, most of whom still have Polish citizenship. Apart from all this, every year 250,000 people stay abroad longer than the period of time that they entered in their passport application. They either hold valid Polish passports, often having been extended abroad; or expired Polish passports plus a stateless travel document; or consular passports issued by a Polish consulate in lieu of a full passport. However, it happens that a Pole holds a Polish passport and a foreign passport at the same time. More and more people in this category are visiting Poland these days. Every Pole resident abroad has the right to return to his country, regardless of how he left the country and settled abroad. A major phenomenon of recent years is extending one's foreign residence in order to work, usually in breach of local laws. People are afraid of returning to Poland lest they be punished for having remained abroad illegally and be forbidden to leave Poland again. After a while, they acquire foreign citizenship. Thus, a situation arises where Poles who are still Polish citizens return to Poland, but use their foreign passport with a Polish visa just in case.

I wish to stress that under certain circumstances dictated, for example, by the interests of a citizen, Polish consulates are empowered to issue visas to Polish citizens for inclusion in their foreign passports. However, this gives rise to certain legal consequences. Once inside Poland, Poles who have chosen to use their foreign passports are treated as foreign citizens. They can only stay in Poland during the validity of their visas, they have to exchange convertible currency for every day of their stay, and they can be ordered to leave Poland if they break the law. In this way, they forfeit many of the privileges that they would have had if they had entered the country on a Polish consular passport or multiple-entry full passport. After all, these documents permit entry without a visa, enable one to stay without undergoing any special office procedure, and permit one to leave the country again or stay as long as one likes. So how can one explain the fact that once again we are noting the arrival of our citizens holding foreign passports? It is difficult to analyze individual reasons for this. Perhaps there is a feeling of "snobbishness" involved, a desire to appear as a "foreigner" in the eyes of one's friends and relations.

Jaruzelski's Recent Activities Reported

Grants Interview to U.S. Paper
LD2807221388 Warsaw PAP in English
1547 GMT 28 Jul 88

[Text] Warsaw, July 28—President of Poland's Council of State Wojciech Jaruzelski met here today with a group

of American journalists headed by Allen H. Neuharth, the president of the Gannett Press Concern and granted an interview for a mass-circulation paper "USA TODAY".

Greets Nelson Mandela

LD1907224688 Warsaw PAP in English
2149 GMT 19 Jul 88

[Text] Warsaw, July 19—President of the Council of State Wojciech Jaruzelski sent a congratulatory cable to Nelson Mandela, leader of the African National Congress imprisoned in the RSA, on the occasion of his 70th birthday.

The cable reads: "For 25 years you have been a symbol of struggle against apartheid, an infamy of our times. The struggle you continue together with the fighters of the African National Front and other progressive organizations in the RSA, has won broad support worldwide. We believe that it will be crowned with success."

On behalf of the Polish nation, Polish highest state authorities, Wojciech Jaruzelski sent words of great esteem and recognition to Mandela and all his comrades fighting for freedom and human rights in South Africa.

"Please accept the assurance of support for and solidarity with your heroic struggle. We wish you good health and the quick regaining of freedom," wrote Jaruzelski.

Attends Awards Ceremony 19 Jul

LD1907220488 Warsaw PAP in English
2121 GMT 19 Jul 88

[Text] Warsaw, July 19—This year's awards granted every year shortly before Poland's National Day on July 22 were handed in a special year, the 70th anniversary of regaining independence.

"We can be proud of what we have inherited from our ancestors and of the attainments achieved in People's Poland, said chairman of the Awards Committee Professor Zdzislaw Kaczmarek at a ceremony of handing the state awards to outstanding scientists, engineers, artists and authors.

The ceremony was attended by members of party and state top authorities with Wojciech Jaruzelski and Zbigniew Messner.

This year's awards distinguished 109 out of the 390 artists whose works were submitted for evaluation. They are laureates of 25 individual and collective prizes.

Professor Manfred Lachs thanked for the awards on behalf of the winners. (Some of them are presented in a separate item.)

While congratulating the winners Wojciech Jaruzelski said that their work which made Poland richer in the material and spiritual sphere. "These masterpieces have also brought about moral and public benefits being a proof that even under difficult conditions much can be achieved, difficult and socially important problems can be solved. All the represented fields of science and culture confirm eloquently that Poland commands a vast potential of human intellect. Abundance of talents is a great Polish chance and the mass of highly educated and talented people must possibly quickly be used for the good of our fatherland," Jaruzelski said.

Attends Awards Ceremony 20 Jul
LD2107013988 Warsaw PAP in English
1638 GMT 20 Jul 88

[Text] Warsaw, July 20—A ceremony of decorating Polish citizens merited in professional work, social activity and in service for the homeland, with state distinctions was held in the Belvedere Palace today ahead of Poland's national day.

They were hosted by members of Poland's supreme political and state authorities with Wojciech Jaruzelski.

Merited workers and farmers, authors of outstanding scientific and cultural attainments, military men, clergymen of various religious denominations, veterans of struggle and work, representatives of various generations came here. The Council of State conferred distinctions upon over 80 citizens who arrived for the gala meeting.

Addressing the decorated persons, the president of the Council of State cordially congratulated them on high distinctions conferred upon them.

"Please interpret this as cordial thanks for your great work that has brought you here," Wojciech Jaruzelski stressed.

"Today's ceremony is linked with the sense of satisfaction of all those who earned these distinctions with their work and attitude as well as with satisfaction of Poland's political and state leadership," he went on.

"The meeting on the eve of our state holiday with the group of those who represent the best from among the best and who by their extraordinary work and effort contribute to the fact that despite difficulties our country develops, consolidating prospects marked out by the process of socialist renewal, has a special dimension," Jaruzelski said.

Urszula Plazewska of the Feniks hosiery factory in Lodz thanked on behalf of the decorated persons.

"This honourable distinction is for us also a confirmation of noting our work and activity. We are aware that we are only representatives of a much larger group of Poles who also deserved such awards," she said.

Addressing members of the leadership, she referred to problems pervading working people, stressed the need to consistently remove various difficulties and obstacles and overcoming what upsets people and is painful for them.

She also assurances [as received] the meeting that the people decorated in the Belvedere would creatively support all actions serving to implement social and economic reforms with their work and activity.

The meeting became, as usual, an incentive for holding many personal talks and exchanging thoughts and impressions with Wojciech Jaruzelski.

Addresses Army's PZPR Meeting
AU2807141588 Warsaw ZOLNIERZ WOLNOSCI
in Polish 26 Jul 88 p 2

[Report on speech by PZPR First Secretary Wojciech Jaruzelski at the 25 July meeting of the primary party organization of the staff of the Tadeusz Kosciuszko 1st Mechanized Division in Warsaw, discussing tasks posed by the seventh party plenum]

[Text] Speaking during the discussion at the meeting, W. Jaruzelski stressed its constructive criticism, which was recommended by the Seventh Central Committee Plenum, and said that the plenum and its decisions were important events in the life of the party and the country, dealt with the most crucial tasks now facing our state, and demonstrated that the party's goal is to ensure that everyone takes a hand in running his plant, region, village, and township. However, W. Jaruzelski continued, partnership in administration and decisionmaking makes it necessary to share responsibility and to actively support the realization of programs and the solution of problems, beginning with those in one's own backyard. W. Jaruzelski, who is a member of the division's primary party and commander in chief of the Armed Forces, also discussed the most important aspects of the international situation and its development trends, described the present dangers to peace and detente, and referred to M. Gorbachev's recent visit in Poland, stressing its great importance for the further process of renewing sociopolitical life not only in our country, but in other socialist countries as well.

He also stressed the need to search for and use a new style of party activities, because the new situation calls for new action methods. Speaking of the role and tasks of party cells and organizations in the Armed Forces, W. Jaruzelski emphasized that developing committed patriotic attitudes, perfectly discharging combat tasks, and ensuring high discipline and standards of activities are the best contribution soldiers can make toward strengthening the present processes in the country.

W. Jaruzelski offered his best wishes for party and soldierly well-being to the new members of the primary party organization, and said that he was convinced that the division's soldiers will also be worthy representatives of the name of Kosciuszko in the jubilee year of People's Poland.

Attends Voivodship Meeting

LD2707223888 Warsaw PAP in English
2148 GMT 27 Jul 88

[Text] Warsaw, July 27—The first secretaries of PUWP voivodship committees held their regular meeting here today. The meeting, presided over by PUWP CC First Secretary Wojciech Jaruzelski, turned into a review of the party-political and organizational experiences gained during the hitherto realization of the goals specified a few weeks ago in the 7th PUWP CC Plenum's resolution, especially the goals set for the nearest future.

In his opening statement Wojciech Jaruzelski stressed the considerable social expectations connected with the vigorous realization of the goals set during the 7th plenum. "The main thing, in particular, is that organizations and party instances [as received] of all levels in a concrete and socially perceptible way actively document their willingness to deepen economic and political reforms," he said.

Addresses by the first secretaries from the Tarnobrzeg, Slupsk and Biala Podlaska voivodships, presenting the experiences of voivodship party organizations and their own deliberations were an introduction to the discussion.

Their speeches centered mainly not on positive experiences—not insignificant in number—but rather on signals on the still existing barriers to the quick implementation of the reformational intentions including the lack of boldness and consistency in the practical implementation of the correct and generally accepted by society solutions, bureaucratic barriers in various administrative offices, still unsystematic and superficial bringing to account for the realization of the goals, the passiveness and inertia of many links which wait for decisions from their superiors.

The speakers pointed to youth, energy, competence, entrepreneurship as criteria which are not fully utilized in personnel policy. Great and still untapped reserves are to be found in social organizations, self-governments and local initiatives.

The participants in the discussion have agreed that an appropriate and effective reaction to problems raised by citizens was the party's particular duty.

The speakers drew attention to the fact that the party should correctly read and react to the expectations not only of the working class but also the creative intelligentsia, scientific

circles and especially the young generation by creating conditions for it to satisfy—in tune with the country's needs—their material and spiritual aspirations.

The party must, as quickly as possible, fully become a force which creates real development, a factor materializing the ideas of political, social and economic reforms. The participants stressed that for such activity, which is also connected with the right to experiment and thus to take risks—favourable conditions and a right climate must be created in accordance with the message of the 7th plenum.

Politburo Considers Wider People's Council Role

LD2807151388 Warsaw PAP in English
2216 GMT 27 Jul 88

[Text] Warsaw, July 27—During its meeting here on Tuesday the PUWP CC Political Bureau reviewed the problems of strengthening the systemic position of people's councils—their independence and powers and increasing the effectiveness of their work.

The participants expressed the view that new legal conditions created by the amended law on people's councils and regional self-governments as well as the solutions of the second stage of the economic reform will enable the councils to become true hosts of their regions. Both the already adopted regulations as well as those being worked out must be preceded by such preparations which would ensure that January 1st, 1989 is not only the date of their formal introduction into life but the beginning of their full realization.

New legal solutions give inhabitants of cities, rural districts and voivodships the possibility of co-deciding about the way and speed of solving regional problems.

The council's economic functions were widened. The process of the taking over of enterprises by the councils is continuing—the councils will own approximately 3.5 thousand out of over 86,900 enterprises.

The councils have received legal status which enables them to widely participate in the civic-legal turnover and gives them full independence in undertaking various economic initiatives.

The Political Bureau stressed that the effective work of people's councils will be augmented by the raising of the role of advisory organs: The creation and activities of socio-economic councils at voivodship people's councils, citizens consultation conventions at the council's chairmen, wider utilization of social councils in higher

schools as well as other permanent or temporary organs of a opinion-forming and advisory character. All such institutions should simplify national dialogue and conciliation.

The Political Bureau acquainted itself with a report on the contents of letters, complaints, suggestions and interventions directed in 1987 to party instances, organs of state and economic administration and social and cooperative organizations. The 1.1 million letters with suggestions and complaints and 2.1 million matters presented by the public personally in 1987 were a sign of growing public confidence and an important signal of public attitudes and opinions.

The Political Bureau noted progress and improved effectiveness in the response to the complaints, suggestions and interventions. However, the scale of unwanted and harmful phenomena has not decreased—many citizens turn to higher authorities after failing to find justice on the local level.

Every fourth complaint filed in 1987 was warranted and chances of a positive solution by way of routine procedure existed. This reflects the scale of the improper fulfilling of duties by employees of many offices, institutions, public services, instances and party organizations.

The participants stressed that all party members must react to wrong and injustice. Each unsettled case harms the party's authority. Both party and official duty sanctions should be harsher for the people directly responsible, against whom the allegations contained in letters and complaints were confirmed, but also with respect to their superiors and inspection organs if they failed to react to the situation and tolerated it.

The possibilities of filing complaints and motions in work establishments and places or residence must be widened.

The Political Bureau also acquainted itself with the hitherto course of the harvest work and noted that the working conditions in this year's campaign were better.

CC Considers Scope of Prices-Incomes Commission
AU2207200488 Warsaw TRYBUNA LUDU in Polish
19 Jul 88 p 2

[Text] PAP—What should be the nature and scope of the State-Social Commission for Prices and Incomes? What sort of composition should it have in order to guarantee the best representation of different social interests and coordinate them? This topic was considered during an 18 July meeting at the Central Committee. Let us recall that the initiative to establish this commission was contained in the Seventh Plenum resolution, which says: "The commission is to be a broad forum at which the

policy of prices and incomes will be decided on, with the intention of proceeding from sudden to smooth changes in the level and structure of prices."

Wladyslaw Baka, Politburo member and Central Committee secretary, said that this general statement requires a more precise definition of the future commission's *modus operandi*. It should play a fundamental role in resolving the most important and difficult socioeconomic problem of attaining equilibrium, curbing inflation, and strengthening the zloty.

There are many questions to be answered. Is the commission to be an advisory body, or should it have the power to decide? And what kind of decisions should it take? Would these decisions only apply to strategic issues in prices and incomes policy, or current practical activity? And finally, the question of the commission's composition—the proportion of government, social, and industrial representatives; and the scope of members' powers.

Various, sometimes divergent, views were expressed, ranging from disbelief in the effectiveness of such a body as an institution meant to lead to consensus on the policy of prices and wages, to an enthusiastic admission of the need to establish the commission as quickly as possible. Those against the idea indicated the impossibility of adopting joint stances because of divergent interests, or thought that the commission is an attempt by the government to shift responsibility for policy for prices and incomes onto this commission. Those in favor of it said that the long-winded process of social consultations so far, which has never encountered broader social support, does not encourage the working out of decisions that are really acceptable. They therefore pointed to the need to effectively reconcile wage demands with the economic requirement of reducing inflation and strengthening the zloty. However, it was agreed that it is essential to gain greater social support for policy on prices and incomes. It was considered expedient to appoint a body which would act as mediator in questions concerning this policy.

Wladyslaw Baka stressed that the point of departure for the commission's work should be an objective assessment of the economic situation. It would be naive to think that the mere creation of this commission will guarantee it adequate social prestige in a sphere as difficult as policy on prices and incomes. This commission has to earn its prestige by means of honest analyses and objective assessments. Hence it is important to decide on its framework of action in advance.

This framework should expand as the commission gains more and more social approval, continued W. Baka. Initially, the commission must concentrate on the general principles of policy of prices and incomes and work out a joint stance, one which combines in the best possible way broadly-conceived social interests with economic reality, while avoiding parochialism.

Sejm Resolution on Expanding Housing Construction
AU2007142388 Warsaw TRYBUNA LUDU in Polish
14 Jul 88 p 6

["Sejm Resolution on Housing Policy Until the Year 1990 and a Program for the Implementation of Immediate Tasks and Tasks Concerning Principles Aimed at Increasing Housing Construction"]

[Text] The PPR Sejm states that the implementation of the Sejm Resolution of 3 July 1984 on Housing Policy Until the Year 1990 has not resulted in the attainment of the desired goals so far. The housing problem has not been alleviated, and there has been no reduction in the waiting period for an apartment.

The Sejm stresses that there is a serious danger that the provisions of the National Socioeconomic Plan for the years 1986-90 concerning the number of apartments made available for occupancy and capital repairs and modernization will not be satisfied. The lack of progress that has been made in removing technical faults from existing buildings is particularly disturbing.

The Sejm states that one reason for the slow rate at which housing construction is expanding is the lower than projected rate of national economic development. However, on the basis of an assessment of current government and regional authority activity aimed at implementing the 3 July 1984 Resolution, it has to be stated that government policy on the construction industry in a broad sense lacks cohesion and is ineffective. There is a lack of an understandable and stable economic and financial system for enterprises, especially with respect to determining prices, taxation, and setting wages. Construction industry enterprises are not being restructured. Public initiatives stemming from the need for public cooperation in solving housing problems are not finding suitable conditions for development and, despite the significant involvement of trade unions and youth organizations, they have not, thus far, been universally applied.

The Sejm positively appraises activities aimed at improving the administration of housing resources. The new law on housing regulations is fulfilling its function, citizens are more concerned about their apartment, and the new regulations have made it easier to change apartments. However, no satisfactory solution has been found to the problem of increasing citizens' involvement in meeting the costs of housing construction, and there still exist significant, socially and economically unjustified disparities concerning charges and rent for cooperative, plant, and local housing.

The Sejm approves the program submitted by the government on immediate measures and measures concerning principles that is aimed at increasing housing construction. The Sejm believes that the consistent implementation of the program should increase the

extent to which tasks are being accomplished and increase efficiency. At the same time, the Sejm advises that steps be taken as quickly as possible to ensure that material conditions exist for the implementation of the program. The legislative decisions submitted by the government and adopted by the Sejm should help to improve these conditions and provide assistance in obtaining funds for the more rapid development of housing construction.

The Sejm states that the verification of the investment program for the years 1986-90 envisaged by the implementation program for the second stage of the economic reform should make it easier to obtain appropriate resources for boosting housing construction.

The Sejm stresses that the Sejm Resolution of 3 July 1984 on Housing Policy Until the Year 1990 retains its full relevance. An improvement in housing conditions, especially those of families that find themselves in an exceptionally difficult situation, remains one of the fundamental goals of state socioeconomic policy.

The PPR Sejm charges the government with taking resolute and consistent action aimed at achieving the full implementation of the Sejm Resolution of 3 July 1984 and using the extraordinary powers granted the Council of Ministers with a view toward attaining this goal.

Panic Buying of Sugar Reported

LD2807205488 Warsaw Television Service in Polish
1730 GMT 28 Jul 88

[Text] Reports have reached us about increased panic buying of sugar in some voivodships. In connection with this fact the Ministry of Domestic Market explains that the reason is an increased demand for sugar used for fruit preserves has coincided with a rumor about a rise in the price of sugar. Increased supplies of sugar from central stocks and reserves which are available allow full supply until the commencement of this year's sugar campaign.

The Ministry of Domestic Market is again denying the rumor about a change in the price of sugar this year.

Poll Results Issued on Church Influence

LD2807221688 Warsaw PAP in English
1808 GMT 28 Jul 88

[Text] Warsaw, July 28—Asked by the Public Opinion Polling Centre last May whether the activity of the church well serves the society and responds to its interests, 74.1 per cent of respondents answered "yes". In earlier surveys such opinion had been voiced by 80 per cent of the polled. Negative answers were given by 12.9 per cent of respondents (in December of 1985—9.6 per cent). 12.9 per cent of the polled had no firm opinion on the matter (in December 1985—9.7 per cent).

39.6 per cent of the polled assessed the influence of the church on developments in Poland as big (including 8.8 per cent who termed it even very big). 22.7 per cent said it was neither big nor small. Over the last three years the number of people who assessed the influence as significant decreased. In 1985, 58.4 per cent of the polled regarded this influence as big or very big.

When asked whether the church should be guaranteed a greater influence on the country's life, 30 per cent of the polled answered in affirmative, 37 per cent said that the role of the church should be like it is now and 13.3 per cent opted for curbing it. 19.5 per cent did not have a firm opinion on the subject.

To the question whether the church should voice opinions on political matters 20.6 per cent of respondents gave positive answers while the majority 56.3 per cent was against.

Episcopate Corrects Urban's 'Inaccuracy'
LD2807194288 Warsaw PAP in English
1804 GMT 28 Jul 88

[Text] Warsaw, July 28—In connection with information supplied by Government Spokesman Minister Jerzy Urban at his July 26 press conference about the so-called round-table debates, the Press Office of the Polish Episcopate announced that the said information contained a significant inaccuracy.

In keeping with decisions adopted by government and Episcopate representatives, a working team was appointed whose task was to design a draft of the new law on associations.

The church side delegated to the team Professor W. Chrzanowski, attorney J. Olszewski, Professor A. Stelmachowski (chairman), while the government side appointed Professor J. Bafia, Colonel J. Orlowski of the Ministry of Internal affairs and Professor A. Rajkiewicz (chairman).

The above mentioned representatives of the church represent no other side.

Leaders' Public Appearances 6-12 Jul

AU1507154188 [Editorial Report] Warsaw TRYBUNA LUDU in Polish monitored from 7 through 13 July reports the following appearance of Polish leaders (date and page given in parentheses):

Premier Zbigniew Messner received Stanislaw Kukuryka, Polish ambassador in Libya on 9 July (11 Jul p 2); on 11 July he attended the meeting of the Club of PZPR Sejm Deputies. (12 Jul p 7);

On 7 July Politburo Member Kazimierz Barcikowski received Rodney Clement Austen Vandergert, new Sri Lankan ambassador in Poland; and Alvaro Dantas

Tavares, new Cape Verdian ambassador in Poland (8 Jul p 2); on 8 July he received Henryk Sobieski, Polish ambassador in Angola (9-10 Jul p 2); on the same day he presented the Polish Order of Merit to Hans Joachim Boehme, GDR minister of university and technical school matters. (9-10 Jul p 2)

Marian Orzechowski, Politburo member and Central Committee Secretary, met with railroad workers and miners in Legnica region on 7 July. (8 Jul p 2)

Politburo Member Tadeusz Porebski chaired the 11 July meeting of the Club of PZPR Sejm Deputies. (12 Jul p 7)

Central Committee Secretary Andrzej Wasilewski met with cultural workers of Wegrowo, Siedlce Voivodship, on 6 July. (7 Jul p 2)

Leaders' Public Appearances 15-19 Jul

AU2207200388 [Editorial Report] Warsaw TRYBUNA LUDU in Polish monitored from 14 through 20 July reports the following appearances of Polish leaders (date and page number given in parentheses).

Wojciech Jaruzelski, PZPR Central Committee first secretary and chairman of the PPR State Council; Zbigniew Messner, chairman of the PPR Council of Ministers and PZPR Politburo member; Wladyslaw Baka, PZPR Politburo member and Central Committee secretary; Kazimierz Barcikowski, PZPR Politburo member; Jozef Czyrek, PZPR Politburo member and Central Committee secretary; Jan Glowczyk, PZPR Politburo member and Central Committee secretary; Marian Orzechowski, PZPR Politburo member and Central Committee secretary; Mieczyslaw Rakowski, PZPR Politburo member and Central Committee secretary; Florian Siwicki, PZPR Politburo member and PPR minister of national defense; and Boguslaw Kolodziejczak, PZPR Central Committee secretary, were at Warsaw's Okęcie Airport on 14 July to welcome delegations arriving for the meeting of the Warsaw Pact Political Consultative Committee. (15 Jul, p1)

Wojciech Jaruzelski, PZPR Central Committee first secretary and chairman of the PPR State Council; Zbigniew Messner, chairman of the PPR Council of Ministers and PZPR Politburo member; Wladyslaw Baka, PZPR Politburo member and Central Committee secretary; Kazimierz Barcikowski, PZPR Politburo member; Jozef Czyrek, PZPR Politburo member and Central Committee secretary; Jan Glowczyk, PZPR Politburo member and Central Committee secretary; Marian Orzechowski, PZPR Politburo member and Central Committee secretary; Mieczyslaw Rakowski, PZPR Politburo member and Central Committee secretary; Florian Siwicki, PZPR Politburo member and PPR minister of national defense; and Boguslaw Kolodziejczak, PZPR Central Committee secretary, were at Okęcie

Airport on 16 July to see off delegations that had attended the meeting of the Warsaw Pact Political Consultative Committee. (18 Jul, p 1)

Jozef Czyrek, PZPR Politburo member and Central Committee secretary; Marian Orzechowski, PZPR Politburo member and Central Committee secretary; Mieczyslaw Rakowski, PZPR Politburo member and Central Committee secretary; and Andrzej Wasilewski, PZPR Central Committee secretary, were present at the Gorbachev meeting with Polish intellectuals held at Warsaw Castle on 14 July. (15 Jul, p 2)

Kazimierz Barcikowski, PZPR Politburo member and deputy chairman of the PPR State Council, received Lucjan Mieczkowski, PPR ambassador to Thailand, on 18 July. (19 Jul, p 1)

Leaders' Public Appearances 20-25 Jul

AU2907101488 [Editorial Report] Warsaw TRYBUNA LUDU in Polish from 21 to 26 July reports the following appearances of Polish leaders (date and page number given in parentheses):

On 21 July, State Council Chairman Wojciech Jaruzelski; Premier Zbigniew Messner; Politburo members Kazimierz Barcikowski, Alfred Miodowicz, and Florian Siwicki; and Politburo candidate member Stanislaw Ciosek attended a 21 July scout gathering at the Grunwald battlefield. (25 Jul, p 1)

On 22 July, State Council Chairman Wojciech Jaruzelski, Premier Zbigniew Messner, and Politburo member and defense minister Florian Siwicki attended a national day ceremonial changing of the guard at the Tomb of the Unknown Soldier in Warsaw. (25 Jul, p 1)

On 20 July, State Council Chairman Wojciech Jaruzelski attended a ceremony in Warsaw at which various professional and social activists received state awards marking Polish National Day. (21-24 Jul, p 1) On 21 July, he received Jacek Palkiewicz, a Polish-born writer living in Italy. (25 Jul, p 2)

Premier Zbigniew Messner also attended the Polish National Day awards ceremony. (21-24 Jul, p 1) On 21 July, he received the following: Mongolian ambassador Chimedyn Sereeter; Jerzy Bonczak, head of the Polish Red Cross; and Ambassador Eugeniusz Wyzner, UN assistant secretary general. (25 Jul, p 4)

Politburo candidate member Stanislaw Ciosek attended a 20 July awards ceremony for PRON activists in Warsaw. (21-24 Jul, p 2)

Central Committee secretaries Jan Glowczyk and Zbigniew Michalek laid wreaths at the Soviet Military Cemetery in Warsaw on 22 July. (25 Jul, p 2)

Politburo member Alfred Miodowicz received Pedro Goncalo Boal, member of the Central Council of the National Union for the Total Liberation of Angola, on 20 July. (21-24 Jul, p 9)

Ceausescu Visits Possible Nuclear Plant Site

AU2707184288 Bucharest AGERPRES in English
1723 GMT 27 Jul 88

[Text] Bucharest, AGERPRES, 27/7/1988—On Wednesday, July 27, Nicolae Ceausescu, general secretary of the Romanian Communist Party and president of Romania, and Mme Elena Ceausescu paid a working visit to the counties of Tulcea and Constanta.

The new working dialogue concentrated on highly significant questions related to the growth of the country's energy base, in line with the national nuclear-power programme, to the updating of agriculture, in keeping with the requirements of the new agrarian revolution.

During the visit, the party general secretary, together with other party and state leaders, with government members, with experts in design and research and geologists, looked into variants of locating a new nuclear power plant in the counties of Tulcea and Constanta, in the area of Macin and Sacele, which would be of paramount importance for the attainment of the targets set in the energy field, for the country's economic and social progress.

Outlined were the results of research work into geological layers and the quality of soil and hydrology studies, which are criteria of utmost significance for the selection of the location, the elaboration of the execution design and the performance of construction operations on the new nuclear power plant.

President Nicolae Ceausescu showed that the experience acquired by Romanian designers and construction workers in that area should be employed to work out thoroughly substantiated solutions from a scientific point of view to fully meet the specific technological and economic requirements of that highly important project. Emphasis was placed on the need to rationally use the terrain and organize construction and production activities as properly as possible in locating the component power sets of the future plant, all while correspondingly employing existing water resources and hydrographically developing the limitrophe area. [sentence as received].

State and cooperative farming units in Constanta County were also seen round.

Analyses of the implementation of the programme for the development of tree-growing and viticulture on arid soils were conducted at a farm belonging to the tree-growing research and production station "Constanta" in the commune of Crucea and the Tortomanu commune. Stress was laid on the achievements scored in the capitalization of degraded sloping terrains, which were made suitable for various cultures, for plantations of vine and fruit trees, for afforestation after irrigation and in the development of animal breeding. Inter alia, it was pointed out that, in line with the programme in force, extensive land development operations had been or were

performed in various zones in the county and so were afforestation works to plant economically highly valuable trees, perfectly adapted to the specific climate in that part of the country. Until 1990 the wooded area of Dobrogea will extend on another 20,000 hectares or so.

Ceausescu Era Lauded as 'Heights of Civilization'

AU2707115988 Bucharest SCINTEIA in Romanian
24 Jul 88 p 4

[Editorial article: "Comrade Nicolae Ceausescu's Election to the Helm of the Party 23 Years Ago—an Historic Event and a Basic Option"]

[Text] There are unique and decisive moments in history, moments of tremendously important opportunities for the development of society and for the destiny of the nation. Such a great and enlightened moment, recorded with golden letters in Romania's present-day history, is 24 July 1965 when the Ninth RCP Congress—expressing the unanimous and enthusiastic desire of the Communists and of all Romanian people—elected the nation's most beloved son, Comrade Nicolae Ceausescu, to the helm of the party.

This decision to elect the helmsman of the national destiny and the clear-sighted strategist for the work of building socialism and communism over years and scores of years, was the expression of full trust, great appreciation, and high esteem for the exceptional qualities of an exceptional figure, an enthusiastic patriot, experienced communist militant, who is linked body and soul to the ancient land, and a fearless fighter for the victory of the people's century-old aspirations for freedom and justice, and for building communism on Romanian soil. This unanimous national option was to sanction a life dedicated from early childhood to the party and the people, as early as during the difficult underground years when, in the heroic battles against capitalist exploitation and fascism, he clearly demonstrated his courage, boldness, and dignity in defending and enthusiastically promoting the ideals of communism. His exceptional organizational talent, his noteworthy ability to mobilize and inspire the masses, and his qualities as a revolutionary fighter have been excellently affirmed in the party's tireless activity to ensure the victory of the revolution for national and social liberation and to win political power for the workers class in the comprehensive revolutionary process of building socialism. This is the man, the revolutionary in whom the party and people—through enthusiastic consensus on the responsibility for the present and future of our homeland—envisioned the great leader, the great founder of a new country who is boundlessly trusted and loved by the whole Romanian nation. He was the man designated and called by history, at a decisive time of revolutionary development, to define a road of renewal, and to take Romania to heights of progress and civilization.

The years—only 23, but how rich!—that have passed since this legitimate choice have not only confirmed the wise and ardent expectations and the trust shown from the bottom of the heart, but have by far surpassed the hopes and aspirations invested in the celebrated leader of the party and people. The 23 years—which is not long in terms of time—have been years of unparalleled achievements in our homeland's multimillenary existence and have marked an era that justifiably and proudly bears the name of its excellent founder: The "Nicolae Ceausescu Era." Everything lasting and bold that has been accomplished in this period, all the great constructions that will outlive centuries, the new quality of work and life, the awareness of free men, masters of their destiny, in an independent and sovereign country, and the feeling of trust in the future of today's and tomorrow's generations—all of these are linked to the ingenious thinking and gigantic activity of Romania's leader. It is the merit of the party secretary general to have formulated—from a new and innovative angle—the entire activity of building the comprehensively developed socialist society and to have opened broad and clear horizons for the revolutionary process through the creative application of the general truths of scientific socialism to the specific realities in Romania. As the promoter of what is new and the advocate of original, theoretical, and practical beginnings, Comrade Nicolae Ceausescu thoroughly examined the extensive questions of our homeland's socialist development by boldly removing inherited patterns and dogmas, and preconceived ideas, alien to the spirit of the Romanian people, thus paving the way for fresh and creative thinking based on the scientific knowledge of the constantly changing realities and on the rich experience gained during the revolutionary process.

The renewing spirit of the Ninth RCP Congress, the future-oriented thinking and tremendous revolutionary activity carried out by the party secretary general have had a great impact on the entire work of building the comprehensively developed socialist society and Romania's advance toward communism. In the light of the party program formulated by the party secretary general and on the basis of the decisions of congresses and national conferences, that were held in this period of fervent political and socioeconomic activity, bold programs were worked out and implemented ensuring high growth rates for the economic potential, the creation and modernization of a strong material-technical base, the involvement of the entire homeland in a vigorous and dynamic activity, the constant progress of science, culture, and education, and a constant improvement in the working people's material and cultural standard of living.

This great work initiated by the Ninth RCP Congress incorporates the self-denial and devotion toward the ideals of communism, trust in the people's creative ability, and the clear-sighted thinking and inexhaustible working energy of the hero among the nation's heroes whom the Romanian nation has elected as its leader.

As an excellent leader of Socialist Romania, President Nicolae Ceausescu is also a prominent figure of great prestige and authority in the present-day world. The "Nicolae Ceausescu Era" also marks an era of Romania's great international self-assertion and of its foreign policy aimed at each nation's free and independent development, strengthening peace and cooperation among peoples, solving the complex, political, and socioeconomic problems of humanity, and at building a better and more just world on earth.

On the bright road opened 23 years ago by the historic Ninth RCP Congress, the Romanian people proudly contemplate their present achievements and are trustfully building their future having full confidence in a wise policy confirmed by life. These are convictions stemming from the awareness of being guided by a strong and vigorous party, which—through its entire revolutionary activity—has fulfilled and continues to honorably fulfill the historic mission assumed toward the people. Our party is a party reborn and rejuvenated in these years of unprecedented dynamism in the revolutionary process, a party with an enhanced qualitative role that is in keeping with the concept of its secretary general, and a party that represents the nation's core and vital center around which the whole society revolves. These are convictions stemming also from the consistent application in practice of the basic principle of the management of society formulated by the party secretary general and president of the Socialist Republic of Romania: "Socialism is being built with the people and for the people"—a principle excellently illustrated by Comrade Nicolae Ceausescu's activity. This principle is the basis of the broad revolutionary workers democracy, which is one of a kind and was built during these years, ensuring the participation of the working people, as owners, producers, and consumers, in self-management and self-administration, and in managing the country's affairs. The principle by which the broad and constant dialogue between the party and people is guided is most conclusively demonstrated by the working visits paid by Comrade Nicolae Ceausescu, together with Comrade Elena Ceausescu, to all counties in our homeland and by the numerous national-level congresses, conferences, and meetings.

Being aware of the great targets facing them, the Romanian people are trustfully building their future on the bright and fruitful road opened by the Ninth RCP Congress. These targets are rallying the nation's entire creative energy within an extensive process of perfecting, modernizing, and raising work and life to new qualitative levels. It is in this direction that the April Theses and the recent masterly speeches of the party secretary general in connection with perfecting the management of the socioeconomic activity and strengthening the party's leading role urge and mobilize us. The mobilizing calls, permeated by great responsibility toward the country's multifaceted progress and toward the continuity of the revolutionary process, discussed and endorsed by the Communists and by all our people, give an impetus to

the revolutionary awareness of the masses and to the high qualities of the new man, and are for each working man an inspiring program of action under the sign of revolutionary patriotism. This means, in a higher sense, the awareness of the unity of thought and action of the entire nation with the party and its secretary general, coupled by the unanimous pledge to constantly follow the bold road opened by the Ninth RCP Congress, the road of new and great achievements of the "Nicolae Ceausescu Era," and it means the awareness to respond to the fervent and patriotic urges and calls of Comrade Nicolae Ceausescu, our homeland's great son, Socialist Romania's great hero, and the beloved leader of the party and country.

[The following poem is boxed within the item:]

We pay homage to the hero and his daring deeds,
To the love he harbors for these valiant people,
He, the humane man who is watching over our soaring,
And the country's dignity, under the proud tricolor flag.

Media Pay Homage to Ceausescu

AU2707133288 [Editorial Report] Romanian media, particularly the press, have given extensive coverage to the 23d anniversary of the Ninth RCP Congress, held 19-24 July 1965, and to Nicolae Ceausescu's election as RCP secretary general on 24 July 1965.

Beginning with 14 July, the Bucharest dailies SCINTEIA and ROMANIA LIBERA in Romanian have carried between one to four items a day, ranging from 900-2,500 words, as part of a series on this anniversary. As 19 July drew closer, the dailies devoted increasingly more space to this event, eventually allotting 1-3 pages of each issue to such subjects during the 19-24 July 1988 period.

These articles deal with such subjects as Romania's "principled, realistic, and constructive foreign policy" of "broad openness to the world"; its "constant steps to create a zone of peace and cooperation in the Balkans"; "Ceausescu's noteworthy contribution to the cause of building a new world economic order"; Romania's "scientific territorial organization" which represents "an essential contribution to improving the quality of life"; its "original democratic system," as well as with the dynamic development of the forces of production, and with the "profoundly democratic managerial style" applied in Romanian society. They also stress that the Ninth RCP Congress marked the beginning of the "Nicolae Ceausescu Era" which is termed as "the most fruitful" and "the most brilliant" era because of the "principledness and dynamism of its dignified, independent, and highly responsible attitude toward the great causes of humanity" and as the era "characterized by the most profound revolutionary changes" in Romania.

Bucharest SCINTEIA and ROMANIA LIBERA on 19 July, the date of the 23d anniversary of the opening of the Ninth RCP Congress, devoted 15,000 and 10,000 words respectively to this event. In addition, both dailies publish several large pictures—including one picture of Ceausescu accompanied by his wife Elena in SCINTEIA and two such pictures in ROMANIA LIBERA—depicting various aspects of socialist construction. ROMANIA LIBERA also carries one poem paying homage to "Ceausescu's Golden Era."

Bucharest SCINTEIA on 24 July, the day of the 23d anniversary of Ceausescu's election as party secretary general, and ROMANIA LIBERA on 25 July are issued in a festive edition, "Nicolae Ceausescu Era" being printed in red letters on the front page of both. SCINTEIA and ROMANIA LIBERA devote two to three pages, that is, some 10,000-15,000 words, to this anniversary. Both dailies carry on their front page the same 8 by 5 inch portrait of Ceausescu at a much younger age and carry additional pictures in the inner pages. SCINTEIA also carries two short poems devoted to Ceausescu, to whom the people are paying homage today "as their fathers used to pay to Stefan and Mihai," thus likening him to former Romanian rulers. SCINTEIA describes "Comrade Nicolae Ceausescu's election at the helm of the party 23 years ago" as "an historic event and a basic option" while ROMANIA LIBERA terms it as "an event of great historic reverberation." Above the front-paged Ceausescu portrait, both dailies specify in block print that Ceausescu was elected as party leader through "the will of the whole party and people."

In addition to the above press coverage, the Bucharest weekly LUMEA in Romanian, No 29 of 14 July and No 30 of 21 July, carry several pages devoted to this anniversary, praising the "great ideas" included in "Nicolae Ceausescu's revolutionary work" characterized by "fertile initiative and clear-sightedness." The Ninth RCP Congress is described as "the congress of profound revolutionary renewing and great political openness" that began an "era of true national rebirth," great "revolutionary socioeconomic changes, and intensive participation in the world exchange of values."

The Romanian electronic media have also given extensive coverage to the anniversary. Beginning with 14 July, Bucharest AGERPRES in English has been carrying one or two 600-700 word items a day on Romania's "original democratic system," socioeconomic development, its "constructive actions for a sound development of the world economy," its "constructive initiatives for the assertion and generalization of the new principles of interstate relations," and on the "decisive phase in the process of urbanization in Romania" which is under way now through the "creation of agroindustrial" centers.

Bucharest Domestic Service in Romanian on 22 through 24 July led several of its main newscasts with reports of cables sent from all over the country to Nicolae Ceausescu congratulating him on the 23d anniversary of the

Ninth RCP Congress that marked his election as party leader, thus "opening up the era of the most fruitful achievements in the homeland's history."

In its 1900 GMT newscast on 23 July, Bucharest radio also carried a 28-minute report on Ceausescu chairing a meeting of the Political Executive Committee [PEC] of the RCP Central Committee at the Black Sea resort of Neptun, marking the 23d anniversary of the Ninth RCP Congress. During this meeting, Ceausescu and some full and candidate PEC members delivered speeches.

Achievements in Socialized Agriculture Reported
AU2707182588 Bucharest AGERPRES in English
1731 GMT 27 Jul 88

["Strengthening Socialist Property in Agriculture"—
AGERPRES headline]

[Text] Bucharest, AGERPRES, 27/7/1988—The experience of socialist construction in Romania attests to the importance of socialist property, be it state or cooperative property, to the fact that its strengthening and development are the only way to fulfil the principles of equity and social justice, to continuously develop the forces of production, to ensure the welfare of the country's every citizen. This objective law is the essence of the outlook of the Romanian Communist Party on the further improvement of socialist property for its permanent consolidation and the assertion of its multifarious functions in the country's manysided progress.

Shortly after the revolution of national and social liberation (of August 1944), as the Romanian Communist Party took over state political power, it worked for the socialization of the means of production and the creation of the socialist property—first in industry, transport and telecommunications and in the banking and credit areas and then in agriculture—a basic branch of the Romanian economy. The conclusion of the agricultural cooperativization drive in the spring of 1962, which meant the full and definitive victory of socialism in Romania, ushered in a new, higher stage in the resolution of the agrarian problem and the ensurance of a rapid progress of the farm output, of a rise in the farmers' standard of living. Socialist property turned into the economic foundation of the Romanian socialist system.

In consideration of the highly important role of socialist property in agriculture, of its potentialities for progress, the RCP and the Romanian state has supported the continuous development of both state and cooperative agriculture and has worked to bridge the gap between the units in the two sectors. The measures taken for the strengthening and development of cooperative socialist property relied on the fact that the cooperative sector held the leading place in the country's agriculture (accounting for 63 per cent of the agricultural area and 72.5 per cent of the arable area), that it employed roughly 70 per cent of the population working in agriculture.

After the Ninth RCP Congress (held in July 1965) and, more particularly, over the last decade, cooperative socialist property has known sensible qualitative structural changes. Originally including the assets contributed by cooperative farmers to public property, this property currently includes the accumulations derived from joint work, with a significant contribution being made by the material aid of the state. Fixed assets—one of the major components of cooperative property—increased almost sixfold in terms of volume over 1965-1986, with the weight of their active share increasing and their technical standard going up. Today, cooperative property boasts roughly 65 per cent of the total area laid out for irrigation, numerous animal- and poultry-rearing and fattening complexes, hothouses and fruit-tree and viticultural plantations, farm produce processing units. All these components bear on the character and efficiency of agricultural work, gradually turning it into a form of industrial labour. Agrarian statistics for the entire period of socialist transformation of Romanian agriculture show that farm production has increased continuously. So, for instance, cereal production was almost six times larger in 1986 than back in 1950. Over the same reference interval, sun flower production increased 4.7 times, sugar beet output—more than 12-fold, potato production—5.5 times. Notable growths were registered in virtually every compartment of farm production. According to assessments by relevant experts conditions are in place for this year—the third of the five-year period spanning 1986-1990—to see large crops.

The correctness of the agrarian policy the RCP and the Romanian state have consistently promoted and the opportune nature of the measure aimed at improving cooperative property have been validated by practice.

The measures taken for the institution of intercooperative economic associations—some of them participated in by state farming enterprises—as well as the creation of joint state and cooperative agroindustrial councils, which expanded the area of socialization of the means of production by providing for the cooperation of several categories of production units, associated to which are also scientific research and even learning units, had significant positive implications for the growth of cooperative property. Adding to these actions are the steps taken to grant material incentives to cooperative farmers, to all agricultural producers.

The process of strengthening and developing cooperative property acquires further prospects in the current stage, as the latest gains of the contemporary revolution in science and technology are broadly applied to work processes in agriculture. Naturally, this process is far from over as changes and phenomena occur permanently in the socioeconomic life and they call for thorough examination and consideration.

Economy's 'Intensive Growth' Since 1965 Asserted
AU2707125788 Bucharest AGERPRES in English
0936 GMT 27 Jul 88

["Intensive Growth of Romania's Economy"—AGERPRES headline]

[Text] Bucharest, AGERPRES 27/7/1988—A reconsideration of the view of the country's economic and social development after the Ninth RCP Congress of 1965 materialized in the priority growth of industry seen as the main factor of progress, in the creation of a balanced economic system at all-country and local levels, which favoured the best utilization of the material and human resources, and a higher economic efficiency of all activities. A realistic and lucid analysis of the state of economic growth at the end of the third quinquennium 1961-1965 showed that notwithstanding Romania's significant achievements throughout the period when a unitary socialist economy was built, it continued to be less developed, which called for a long-term strategy and complex programmes of rapid growth of industry, agriculture and other branches of the economy, as well as for wide-ranging structural changes to take the economy further ahead and strengthen socialist construction. As a result of this innovative strategy, the economic might has grown appreciably with the stress in that complex process falling on quality. That this is so is supported by the larger productions—seven times so in industry in 1987 than in 1965, and 2.1 times so in agriculture—and a 4.3 time higher national income.

The country's wealth is now worth more than five trillion lei with the fixed capital of the national economy nearing 3.2 trillion lei. Which puts at about 140,000 lei the value of fixed capital per capita: This reflects a just policy of allocating about one-third of the national income to development with per capita investment averaging 160,000 lei in the past twenty-three years.

The fundamental option which put Romania on course for progress and civilization was the earmarking of large sums of money for development and, as part of it, a wise distribution of the national income between accumulation and consumption. Whereas in 1965 development took up 25.5 percent, in 1980 it had increased to 35.4 percent, to average 30 percent at present.

The money was invested especially in industry, industrialization being a programmatic orientation of the RCP economic policy. Those funds, which increased 4.6 times over 1965-1985, were used mostly for the creation, development or modernization of branches thought as essential to support the economy dynamism. That was paralleled by a reconsideration of the role of industries and subindustries underrated in the first three five-year plan periods of the importance of which had grown tremendously in the meantime. Not only did industry developed at a high pace—of 9.4 percent a year on an average over 1966-1986—but its basic branches—

mechanical and chemical engineering, the light and food industries—developed and diversified considerably. Mechanical engineering increased its contribution from 10.5 percent in 1948 to 21.2 percent in 1965, and to a further 30 percent at the beginning of this five-year period, whereas the share of chemical engineering went from 3.2 percent in 1948 up to 6.7 percent in 1965 and to around 10 percent in 1985. Along with power engineering and ferrous and non-ferrous metallurgy, they make up nearly 55 percent of the country's industrial production. New industries have emerged—electronics and electrical engineering, shipbuilding, chemical and power equipment manufacture, petrochemical engineering—and the aviation industry has been revived. Against the background of a fast growth of the basic industries, production increased at an annual rate of 14.2 percent in electrical engineering, 12.7 percent in mechanical engineering, 12.3 percent in chemical engineering.

Now the Romanian industry is apt to meet more than 90 percent of the national economy's requirements for machinery, equipment and installations, owing to the high performances of which a daily production could be obtained last year that equalled a two-month production in 1965.

Another basic branch—agriculture—which is undergoing intensive-based, qualitatively superior changes achieved a record cereal production in 1987—31.7 million tonnes, the biggest in the country's history.

Science has played a major role in making such deep-going changes, and for its development the state earmarked ten-fold bigger funds in 1986 than in 1965. The number of researchers is ten times larger, while that of invention patents 14 times. Over 1981-1985 alone, science contributed substantially to the renewal and modernization of production, which materialized in the use of 20,000 new types of machinery, equipment, apparatus, installations, consumer goods and 6,200 mechanization systems and technologies. Today, one leu spent on this work means a ten-time higher efficiency.

In the 1966-1986 interval, the per capita productivity, which is a telling parameter of growing economic efficiency, grew at an average annual rate of 6.6 percent. In machine building, metal working, ferrous metallurgy, non-ferrous and non-metalliferous ore extraction, and abrasive substance production the growth rates were higher than the above-mentioned average.

The progress in industry which contributes 60 percent to the national income formation, to the economy as a whole, changed Romania's standing in the international division of labour, in the world exchange of assets. From a country whose export consisted mainly of foodstuffs and raw materials, Romania turned into an exporter of highly processed products that account for 63 percent in the total sales abroad as to 36.2 percent in 1965.

Ceausescu Greets Castro on Revolution Anniversary
AU2807081188 Bucharest SCINTEIA in Romanian
26 Jul 88 p 5

[Message on "The 35th Anniversary of the Cuban National Insurrection Day," from Nicolae Ceausescu, RCP secretary general and president of the SR of Romania and Constantin Dascalescu, prime minister of the Romanian Government, to Fidel Castro Ruz, first secretary of the Communist Party of Cuba and president of the Council of State and Council of Ministers of the Republic of Cuba]

[Text] To Comrade Fidel Castro Ruz, first secretary of the Communist Party of Cuba [PCC] and president of the Council of State and of the Council of Ministers of the Republic of Cuba, Havana:

On the occasion of the 35th anniversary of the Cuban national insurrection day, on behalf of the RCP Central Committee, the State Council of the SR of Romania, the Romanian Government and people, and on our own behalf, we take particular pleasure in conveying fraternal

greetings and warmest congratulations to you, to the PCC Central Committee, the Council of State and the Council of Ministers of the Republic of Cuba, and to the friendly Cuban people.

The insurrection of 26 July 1953 opened up the road for the Cuban people toward their social and national liberation. The Romanian people sincerely rejoice in the successes attained by the Cuban people, under the PCC leadership, in the construction of the new society and wish them great and important achievements in the implementation of the Third PCC Congress decisions.

We would like, also on this occasion, to reaffirm the belief that the relations of friendship, cooperation, and security between our parties, countries, and people will continue to strengthen, for the well-being of the Romanian and Cuban people and in the interest of the cause of socialism, peace, and understanding throughout the world.

Nicolae Ceausescu, RCP secretary general and president of the SR of Romania

Constantin Dascalescu, prime minister of the Government of the SR of Romania

Jansa, Others Reject Rumors of Maltreatment
*LD2807193588 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1731 GMT 28 Jul 88*

[Text] Ljubljana, 28 Jul (TANJUG)—This afternoon in Ljubljana, the Committee for the Protection of Human Rights organized a conversation with Jansa, Zavrl, and Tasic. The fourth member of the group convicted for disclosing military secrets, Sergeant-Major Borstner did not attend on his lawyer's advice. The majority of questions, posed mostly by three or four people out of a group of 40, referred to the treatment the convicted group received from the military authority during the detention, the nature of the photocopied document, and the course of the investigation procedure. All three described the verdict as merely the "expended indictment" and voiced a number of objections to it.

According to Tasic, the officials and the guards in the military prison behaved very correctly. He even gave the names of those who were exceptionally decent. The three rejected rumors about beatings and maltreatment during detention. According to Jansa he found the feeling of "helplessness" most difficult to bear since, he alleges, "the military authority rejects all your complaints and sometimes does not even bother to read them."

Franci Zavrl was adamant in denying "any involvement whatsoever in the case" insisting that "the whole affair was a frame-up."

Reaction in Slovenia to Jansa Trial

Assembly Rejects Explanation
*AU2807135688 Belgrade BORBA in Serbo-Croatian
27 Jul 88 p 1*

[S. Gajevic report: "Federal Budget Adjustment Eclipsed by the Trial"]

[Text] Ljubljana, 26 Jul—The Assembly of the SR of Slovenia today adopted the federal budget adjustment for this year, albeit along with two important remarks. One remark was that the budget must remain within the framework of the agreed economic policy and the other that the shortage of resources for financing the Yugoslav People's Army should be made up later, when the budget is adjusted once again.

The greatest attention was paid to the debate on the activity of the Slovene Assembly bodies in connection with the trial of four people accused of betraying a military secret. The Slovene Assembly adopted a report on this matter which was submitted by the Presidency of the SR of Slovenia. The report that was distributed to the delegates says that the fact that the trial in the Ljubljana Military Court has been conducted in Serbo-Croatian is not in conformity with the SFRY Constitution and the Slovene Constitution.

Assembly delegates failed to accept the explanation of the SFRY Presidency according to which there was no violation of the law and Constitution at the Ljubljana Military Court.

The Assembly of Slovenia today also adopted the proposal on the foundation and composition of the Commission for Studying the Criminal Law. A proposal was also prepared on founding an assembly body to control the work of the State Security organs.

In addition to the previously adopted conclusions, delegates of the Slovene Assembly today adopted two more conclusions pertaining to the decision of the Military Court that the trial of the four accused be conducted in Serbo-Croatian. It is said in the conclusions that what was involved in this case was the official use of the Slovene language in the SR of Slovenia and in Yugoslavia and it was therefore demanded that all state organs in Slovenia, including the Military Court and the Military Prosecutor's Office, ensured that they work in Slovene. It is suggested to the SFRY Assembly Federal Chamber that it assess the implementation of the law on military courts in connection with the official use of the languages of the peoples.

Assembly Views Trial
*LD2807153388 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1211 GMT 28 Jul 88*

[Text] Ljubljana, 28 Jul (TANJUG)—Miran Potrc, president of the Assembly of the SR of Slovenia has sent Raif Dizdarevic, president of the SFRY Presidency, the conclusions of the Slovene Assembly about a report on the realization of the conclusions and stands of this republican assembly on the trial of Borstner, Jansa, and Tasic. Potrc also wrote to Stjepan Novakovic, president of the Federal Chamber of the SFRY Assembly, asking that this chamber discuss the demand of the Slovene Assembly that consistent use of the Slovene language should be ensured in all state organs and also in military courts in the SR of Slovenia.

The conclusions from the two latest sessions of the Assembly of the SR of Slovenia state that "the chambers endorse the report by the Presidium of the Assembly of the SR of Slovenia on the trial of Borstner, Jansa, and Tasic, dated 19 July this year with amendments by the sociopolitical Chambers; and a report by the president of the Federal Chamber of the SFRY Assembly, asking that this chamber discuss the demand of the Slovene Assembly that consistent use of the Slovene language should be ensured in all state organs and also in military courts in the SR of Slovenia.

The conclusions from the two latest sessions of the Assembly of the SR of Slovenia state that "the chambers endorse the report by the Presidium of the Assembly of the SR of Slovenia on the trial of Borstner, Jansa, and Tasic, dated 19 July this year with amendments by the sociopolitical chambers and a report by the president of

the Assembly of the SR of Slovenia on activities connected with the procedures against four people in the Ljubljana Military Court, which he made after a session of the Assembly chambers on 20 July." The Assembly of the SR of Slovenia concluded that "the question of language in the procedures in the Ljubljana Military Court is not only a question concerning a concrete case, but is a matter of wider dimensions. Because of this it was also initiated in the republican assembly and in the Presidency of the SR of Slovenia. This is not a matter of the right of the accused to defend themselves in their own language, but rather one of the official use of the Slovene language on the territory of the SR of Slovenia and in the SFRY; therefore, also in military courts and military prosecutor's offices," it is pointed out in the conclusions.

The document says that "the chambers demand that in all state organs on the territory of the SR of Slovenia, including military courts and military prosecutors' offices, in accordance with paragraph 1 Article 246 of the SFRY Constitution, and Paragraph 2, Article 212 of the Constitution of the SR of Slovenia, communication in the Slovene language should be ensured. The chambers concluded that the question of the realization of these constitutional regulations is one of general significance for the SR of Slovenia, and for the equality of SFRY nations and nationalities. Therefore the chambers of the Assembly of the SR of Slovenia propose to the SFRY Assembly Federal Chamber in accordance to which the federation through federal organs protects constitutionality established by the Constitution and legality in accordance with the Constitution, as well as on the basis of Item 6, Article 283 of the SFRY Constitution; according to which the SFRY Assembly regulates the policy of carrying out federal laws, other regulations and bylaws, and obligations of the federal organs in charge of implementing these regulations and bylaws, and discuss and assess the implementation of the law on military courts regarding the official use of the language of nations."

The Chamber of Municipalities also endorsed an additional amendment that says that "this chamber instructs delegates from the SR of Slovenia in the SFRY Assembly to demand an answer to the question addressed to the SFRY Presidency; the chamber asks it to explain which competent federal organs provided it with a view on the use of a language in the Ljubljana Military Court proceedings, and also instructs them to raise the question of the responsibility for such a view, which does not take into account regulations from Paragraph 1 Article 246 of the SFRY Constitution, and Paragraph 2, Article 212 of the Constitution of the SR of Slovenia."

Radio Comments on Sentences

AU2807162288 Ljubljana Domestic Service in Slovene
1330 GMT 28 Jul 88

[Vojko Brvar commentary on the Jansa trial conclusion]

[Text] Are the direct and indirect participants in the events now richer through a lesson? Is the world still as it

used to be? I cannot judge about those sentenced yesterday. Their perceptions are a part of their intimate life. It is indisputable, however, that the trial left scratches on a previously polished surface among all those involved: the military judiciary, the Yugoslav community, the Slovene politicians, and of course the people that were induced to react to the event.

The military judiciary and probably the military administration will have to ponder thoroughly whether such a hard attitude in restricting the presence of the public was worthwhile, even in those parts of proceedings where public presence could do no harm. When the people waiting for the men convicted at Roska Street expressed their opinion about the trial, the doubts about its consistency and justice were strong. This is the bill for (?the restriction of information) that the military organs will now have to settle.

I doubt that, despite all the sharp reaction, the Yugoslav community is still firmly convinced that the trial could not have been conducted in some other way. (?The assertions) that gatherings such as the cultural meeting [in Ljubljana on 21 June] (?exerted illegal) pressure on juridical organs are becoming less and less convincing.

Slovene politicians indisputably have found themselves in a position that does not suit them. [Words indistinct] changes in legislation that still permits state repression against the individual on the one hand, and the conviction of some people in the Yugoslav top political leadership that the people still (?have to be told what is good for them) on the other hand.

When Slovene politicians took the side of clear legislation, and of (?the protection) of human rights and freedoms, the feeling of distrust that citizens always seem to nurture toward the authorities has certainly at least retreated.

[Words indistinct] (?although) a somewhat garish national wave tended to splash over the brim at mass gatherings, it is a fact that all the gatherings not only remained within the limits of what is permitted in a civilized society, but even in the hottest moments retained their dignity and refused to be seduced by the influence of the street mob. This is an encouraging sign of the growth of Slovene democratic awareness. This is something that nobody in this state has been very familiar with, because we have had only few experiences in this respect.

From the very beginning, the trial opened up two fronts: the juridical front, in which the accused fought for their own position, and the political front, when it was shown that the legislation shows many impermissible or at least not modern loop holes. Both fronts are still open at the conclusion of the trial. The four (?will carry on their struggle) at the next stage of appeal and the politicians

face a struggle in the field of protection of human rights and freedoms. This latter shows the paradox of life that even bad events may bring something good.

Youth Presidium Discusses Trial

AU2807181588 Ljubljana Domestic Service in Slovene
1330 GMT 28 Jul 88

[Text] The Presidium of the Socialist Youth Federation of Slovenia discussed the implementation of the tasks arising from the political assessment of the strategy of antireform forces adopted by the Youth presidium and the Youth conference during the election tangles. Matjaz Albreht reports:

In the discussion, the presidium members presented a number of facts that in their opinion show that the highest political and authority organs and some of their representatives underestimate the Youth organization. Their conflicting statements issued during the proceedings before the military court in Ljubljana deluded the public. Apprehension therefore increased.

First of all, this concerns the statements by Tomaz Ertl, republican secretary for internal affairs, during the trial and his assessments of the political security situation in Slovenia, in which he also appraised the activities of the alternative movements and in particular the activities of the Peasants Union and the Union of Slovene Peasant Youth. The Presidium of the Slovene Youth Federation therefore expects that the Slovene Assembly will assess the work of state representatives.

The Youth Presidium also adopted the proposal by the Human Rights Protection Committee to request the Presidency of Slovenia and the respective assembly organs to acquaint themselves with the secret document and to assess whether the document refers to the combat readiness of the Yugoslav People's Army to meet a foreign attack or to the readiness of the Army to meet an internal danger. It again requested explanations on the conversation held in March between republican representatives and the Ljubljana Army District Commander.

The presidium also discussed the position of Slovenes serving in the Army, and especially the fate of Tomo Bogataj. It will collect information on his case.

In conclusion, the presidium members set up a group to examine the past work of Janez Jansa and to rehabilitate him politically.

[Belgrade Domestic Service in Serbo-Croatian at 1300 GMT on 28 July carries a 2-minute report on the Slovene Youth Presidium session which opens as follows: "The first session of the newly elected Slovene Youth leadership began with a minute's silence as a sign of protest against the trial before the military court in Ljubljana that concluded yesterday. Thus, the Presidium of the Republican Conference of the Socialist Youth Federation of Slovenia sided with the Human Rights Protection

Committee decision, and not the decision of the front organization, the SAWP Presidium, which by a democratic vote rejected the committee proposal as unacceptable. The line between democracy and lawlessness has been clearly set."]

'Politization' of Trial Viewed

AU2707180088 Ljubljana DELO in Slovene
23 Jul 88 p 24

[Vlado Slamberger commentary: "A Minute for Thought"]

[Text] The politization of the trial before the bench of the Military Court in Ljubljana (some people speak of political hysteria) has gone so far that the Presidium of the Republican Conference of the SAWP of Slovenia had to decide to draw a line (or rather, it supported the position of Jozse Smole, president of the SAWP Republican Conference) between democracy and, we might say, lawlessness.

The procedure has been democratic. A member of the Human Rights Protection Committee, who is at the same time a member of the SAWP Republican Conference (not because he is a member of the committee), proposed that the Presidium of the SAWP Republican Conference, supporting other chief activities of the committee (demands for release from detention during the trial, a public trial before the Military Court bench, civilian defense counsel, or at least the presence of legal experts at the trial), should also support the idea of a minute's silence for the living at public occasions in Slovenia. The proposal received only five votes, and members of the Presidium probably thought that the matter was shelved. But they were wrong. Nevertheless leaflets have appeared in Ljubljana calling for a minute's silence, on some occasions the organizers who are not interested in "official Slovene policy" observed a minute's silence. They had some response.

Because history repeats itself, despite the revolution, which is an incessant process, introducing divisions among Slovenes is nothing new. The same thing happened before World War II, the Sokols and Orli [pre-war gymnastic associations] quarreled in a similar way; and where this ultimately leads is historically best remembered by Trbovlje people and elderly Slovenes: Disputes always ended in bloodshed.

Nobody, neither a poet nor the velvety voice of an official newsreader, can order a person to renounce his convictions; particularly to a person who considers a minute's silence to be tribute to the memory of great men of our history, or of those fallen for a just cause, or a sad remembrance of departed comrades in one's collective. And what will we have now at public occasions in Slovenia if some people persist in such actions? Will a member of an audience stick somebody in the ribs with the implication: Get up and keep silent; or will a member of the public pull another back to his seat, implying: Be

sensible? With passions inflamed, will this be the end of the story or will something else follow, something that has often been the outcome of drunken merrymaking in Slovenia, when the restraints of reason have broken down?

Even before a political and professional assessment is made of the trial before the Military Court bench in Ljubljana, it is clear that this organ also has been making moves that increased the tension in the Slovene capital. Quarrels about whether these moves are constitutional or legal or not are not essential at present. It should not be forgotten, however, that the pressure, constant attacks, and reproaches that the military organs had to hear from 31 May onward (while legal experts have been divided in their opinions) caused another extreme: The bench did not take into account any proposal that could be construed as a compromise. We are living in the Balkans where compromise has always meant defeat (in contrast to Europe where compromise means victory for both sides); and the present opinion in the Yugoslav People's Army probably is that it cannot afford any defeat. To the military mind, any step in retreat may be considered a defeat, particularly when what is at stake is a demand rather than a proposal by an informal group (it was only later that all these demands were endorsed as proposals by the sociopolitical organizations and the Presidency of the SR of Serbia). As much as we may strive for the socialization of the Yugoslav People's Army and for its substantial and organizational modernization, we must not forget that in many people's view the Yugoslav People's Army is still the most firmly organized part of our community with a hierarchy of special status nurtured through many decades. Radical changes are not possible in such an organization overnight.

We Slovenes have always known how to be dignified and how to hold our heads high, particularly in the last half century. It is not to be believed that a minute's silence for living people (and everything that happens to them) can manifest the Slovene spirit, or unite people on this side of the Alps, who have tremendous living problems and who until now used a minute's silence to honor those who are no longer alive.

Slovene Presidency on Use of Slovene Language
AU2807185588 Ljubljana DELO in Slovene
26 Jul 88 p 1

[Unattributed report: "The Constitution Clearly States: The Official Language in the SR of Slovenia Is Slovene"]

[Text] Ljubljana, 25 Jul—At its session today, the Presidency of the SR of Slovenia discussed the question of the use of Slovene in the work of state organs in the territory of the SR of Slovenia, and in this connection the reply by the SFRY Presidency to the letters from the Assembly of the SR of Slovenia and the Presidency of the SR of Slovenia on the use of Serbo-Croatian in proceedings before the Military Court in Ljubljana.

As the Republic Committee for Information reports, the Presidency of the SR of Slovenia has decided to inform the Assembly of the SR of Slovenia of its position regarding the reply by the SFRY Presidency as follows: "The Presidency of the SR of Slovenia has noted that the respective federal organs who formulated the opinion for the SFRY Presidency reply obviously overlooked the provisions of Article 212 of the Constitution of the SR of Slovenia, which in Section 2 stipulates that all the state organs and other organs—self-managing organizations, communities, and individuals performing social services on the territory of the SR of Slovenia—use Slovene as their working language. They likewise did not take into account the provision of Article 246, Section 1 of the SFRY Constitution, which stipulates that the languages of the peoples are in official use in the SFRY. The languages of the peoples that are in official use in the several republics and therefore also in federal organs are determined by the republican Constitutions.

"The Presidency of the SR of Slovenia has therefore again turned to the SFRY Presidency and proposed that taking into account the elementary right of the use of the language of each people of the SFRY, in this specific case the use of Slovene in the territory of the SR of Slovenia as an essential element of the sovereignty of the SR of Slovenia, it should reexamine its position and act accordingly within its constitutional duties and powers."

LCY CC Plenum on Kosovo Begins 29 Jul
LD2907080688 Belgrade TANJUG Domestic Service
in Serbo-Croatian 0715 GMT 29 Jul 88

[Text] Belgrade, 29 Jul (TANJUG)—A plenum of the LCY Central Committee, whose main theme is the implementation of the conclusions of last year's ninth session of the LCY Central Committee on Kosovo, began today in the Belgrade Sava Center. An introductory report will be submitted by Franc Setinc, member of the LCY Central Committee Presidium.

Before work started, Stipe Suvar, president of the LCY Central Committee Presidium, recalled the great significance of the fifth congress of the Communist Party of Yugoslavia which was held 40 years ago in Belgrade.

Radojlovic Addresses Visiting Kosovo Citizens
LD2907132988 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1040 GMT 29 Jul 88

[Text] Belgrade, 29 Jul (TANJUG)—Mass gatherings at this point can bring more harm than benefit, Zika Radojlovic, member of the Serbian LC Central Committee working group for Kosovo told a group of about 200 Kosovo citizens in the Trade Union Club who are following the LCY Central Committee session on the realization of the conclusions of last year's plenum on Kosovo.

These days are marked by the events in Kosovo. There has never been more mobility in Yugoslav and Serbian leaderships, and therefore there are foundations to believe that today's LCY Central Committee session will move a step closer toward solving the Kosovo drama, Radojlovic stressed.

Following a short conversation with Radojlovic, citizens from Kosovo, who arrived in the capital this morning, left the Trade Union club auditorium. They were provided with transport, and judging by the mood of the majority it is expected they will soon return to their homes.

[Belgrade TANJUG Domestic Serbo-Croatian 291103 reports: "The majority of about 200 Serbs and Montenegrins who arrived in Belgrade this morning, left the capital at about 1240. About 30 of them who did not agree with the decision of the majority to leave Belgrade remained outside the Yugoslav TU Club."]

'Shaken, Lost Confidence' in Authorities in Kosovo
LD2807201088 Belgrade TANJUG in English
1840 GMT 28 Jul 88

[Text] Belgrade, Jul 28 (TANJUG)—In the past six and a half years the Assembly of Yugoslavia received 3,800 petitions and complaints from Serbs and Montenegrins from the Autonomous Province of Kosovo, which is a part of the Yugoslav Republic of Serbia. This fact, together with the 1,500 direct contacts made with the Assembly of Yugoslavia indicates the shaken, and in some parts of the province, completely lost confidence in the local authorities, Branko Kostic said in the Assembly of Yugoslavia today. Kostic is the vice-president of the Federal Assembly commission for following the implementation of the Yugoslav program for stopping the migration of Serbs and Montenegrins from Kosovo.

Ethnic Albanians comprise about 80 percent of the population in this autonomous republic. Unrest broke out in Kosovo in 1981 from the positions of Albanian chauvinism and separatism. The migration of the non-Albanian population from this province was stepped up after the unrest, so that over 30,000 Serbs and Montenegrins have left Kosovo in the past seven years.

The Yugoslav party leadership will discuss the realization of the Yugoslav program for stopping the migration of Serbs and Montenegrins from Kosovo at the plenum of the Central Committee of the League of Communists of Yugoslavia (LCY) which opens tomorrow.

Kostic set out that there were 50 assaults on Serbs and Montenegrins, 39 cases of damaged property, 35 threats and two attempted rapes in the province this year. There were also nine cases of damaged cemeteries and monuments of Serbs and Montenegrins, and four cases of material damage to orthodox monasteries and churches in Kosovo.

Kostic also indicated the deterioration of inter-nationality relations in the province, which was reflected in the shaken and lost confidence and a feeling of general insecurity among the Serbs and Montenegrins in Kosovo. In Kostic's opinion, this is where one should look for the reasons for the increasingly frequent and ever larger rallying of Serbs and Montenegrins in order to express their dissatisfaction with the situation in the province and their position in it.

POLITIKA Reporting of LCY Criticized
AU2707150088 Sarajevo OSLOBODJENJE in
Serbo-Croatian 22 Jul 88 p 2

[Zlatko Dizdarevic commentary: "Action and Reaction"]

[Text] The combination of politics and journalism has always been able to offer different variants. Many of these have already been tested on Yugoslav soil and led the great majority of people to agree on one basic thing: Honest, professional, professionally polished journalism (assuming that fundamental ideological principles are impeccable) has always been in the service and interest of truth which we strive for and not against it. The other kind of journalism—toady, transcriptional, uncritically directed, and privatized "journalism"—has sadly ended up in the ruins of the politics that deserve the same epithets. It is therefore not at all surprising that the LCY Central Committee Presidium found it necessary to point out in its statement on the overheated relations within the SR of Serbia that some newspapers had "contributed to untrue reports and biased commentaries to these events reaching new and dramatic proportions, unreservedly standing behind 'their' leaderships and leaderships' standpoints and views."

What the Presidium said about the terrible events in Novi Sad, what preceded them, and especially what followed them is well known to the public and one must admit was received with relief. Of course, this applies to that part of the public that has been considerably frightened by the various calls to "gather together." As has rarely happened in the past, with its stances the party leadership put in their place those who have considered it justified to think that nothing but evil can be expected because "nobody stops anything any more." Of course, one also needs to pose the second part of the question: Do we have enough strength and "instruments" to put the Presidium's precise warnings into practice, including those warnings that refer to the press? Looking through some of yesterday papers shows the serious fact that the latter part of the above question is turning into a dilemma of much wider, even crucial, importance for the LCY. The "journalistic conduct" of Belgrade POLITIKA (which carried the front page title "The Vojvodina and Novi Sad Leaderships Did Not Act in a Politically Responsible Way," and "Subsequent Publication of the Discussion at Closed Part of the Vojvodina LC Provincial Committee Session Contributed to Further Intensification of the Situation") cannot fail, no matter how one

looks at it, to cast a shadow of doubt on the politics and journalism of those behind the titles on the front page. Why should one mention "both politics and journalism"?

In the political sense, the absolute bias in the way some of the Presidium's conclusions were treated indicates the same one-sidedness in understanding, reading, and interpreting what was written and stated. Of course, one should not try to "explain" the whole of Yugoslavia from here [odavde], but is quite clear that nobody interpreted the Presidium's views in such a one-sided way as POLITIKA. This "misunderstanding" will be very bad for the LCY, its joint action, and future activities. What is worse is that it is difficult to believe that the comrades from Belgrade did not properly understand each other at their session, and that this led to such discrepancies between what POLITIKA understood and what everyone else did.

From a professional and a narrower viewpoint—the expert sense, the matter is also much clearer: The placing in headlines of only those parts of sentences that will create the desired picture and parts plucked from the context of the complete assessments and stances like those in the statement of the LCY Central Committee Presidium has always been a practice that democratic journalism has been wary of and one to which POLITIKA has also made a hefty contribution. Now that the LCY Central Committee Presidium has issued these unambiguous stances, we are inclined to believe that we all in journalism and in the political leaderships are obliged to be critical of ourselves and to hold ourselves responsible in relation to the sad Kosovo reality, the Novi Sad events, the constitutional set-up of the SR of Serbia and the country as a whole, rather than to have a "soccer fan persistency" in concentrating on who has won and who has lost in all of this. When the feeling for the message in its entirety is missing, reason and the interests of all of us who constitute Yugoslavia are unlikely to prevail.

We learned about what happened at the session of the LCY Central Committee Presidium that discussed the visit and protests of Serbian and Montenegrin nationals from Kosovo in Novi Sad from newspaper reports based on the one and only announcement. It seems, however, that we did not learn the same thing, or we pretend that this is so. Where then is the problem? Does it lie in the announcement or in ourselves? It is difficult to believe that letters lie. And if we continue to lie to each other on such occasions, no letters will help us. Let then those people who until yesterday were making elaborate analyses of Yugoslav press coverage of relations within the SR of Serbia on the occasion of Novi Sad events try to analyze the front pages of the same newspapers today, and they will understand what all this means. When observed in connection with the party and its action, it has a very clear name; and in connection with the profession, no name is needed, because it has precious little to do with the profession.

LCY Presidium Positions on Novi Sad Assessed
AU2807174688 Titograd POBJEDA in Serbo-Croatian
22 Jul 88 p 2

[R. Tomic commentary: "A Return to Reason"]

[Text] The future development of events will show whether the just ended 2-day session of the LCY Central Committee Presidium has managed to refresh and "cool" the just bearable heat of the Yugoslav political summer. In any case, the assessments and stances connected with the events which preceded the arrival of Serbs and Montenegrins from Kosovo in Novi Sad and, to a greater extent, relating to the direct confrontations which followed everything else, nevertheless instill some hope that the highest organs of the LCY will not support any of the options which would (consciously or unconsciously, although ultimately it makes no difference) want to create conditions in the unique exodus of the non-Albanian population from the Socialist Autonomous Province of Kosovo, for their own social advancement as quickly and comprehensively as possible. To remind ourselves, the Presidium of Yugoslav Communists assessed as harmful "the flippant reactions, expressions of support in the manner of soccer fans, and the exaggerations of some relevant aspects of the event; because in this way the full complexity of the event is neglected at the expense of only some of its aspects.... All this leads to rifts and conflicts and provokes passions which are then rekindled through individual public information media. This is fraught with unforeseeable consequences...."

At the same time, the highest political executive organ of the LCY warned that undemocratic pressures and demonstrations cannot in any part of the country and on any occasion solve the social problems that have amassed, so the "order" therefore follows that such unacceptable methods be stopped and eliminated without delay from political practice. Rather than a petty political settling of accounts, what is essential is real communist and comradely dialogue, criticism, and self-criticism; and in this spirit, the eliminating and surmounting of all disagreements and differences between the Presidiums of the Serbian LC Central Committee, the Vojvodina LC Provincial Committee, and the Kosovo LC Provincial Committee. The media must also advocate such a policy. Instead of "belligerent regrouping" behind "their" leaderships and against "the others," they should support a principled and active struggle on a united front for a general social mobilization concerning the main social tasks, which include solving the problems of Kosovo and energetically stopping the emigration of Serbs and Montenegrins.

The stances and appraisals which the Yugoslav public expected even earlier (and rightly so, which was confirmed by the presidium's self-criticism, the essence of which was the appraisal that it could have acted more promptly and energetically), have probably swept aside the dilemma which quite naturally had to appear among

the largest section of the party grass roots, that is, the widest LCY membership. The dilemma lies in which option to choose and whose political conception is nearer to the programmatic bases of LC policy. Therefore, there is no dispute: The tragic consequences of the Kosovo counterrevolution cannot be cured by (self-appointed) leaders who are very obviously imbued with petty politicking and Hamletesque dilemmas adapted to the "reheated" daily political atmosphere—"To be or not to be, that is the question"—nor by ignoring the tragedy of (at least) two peoples in Kosovo who, although they are the least responsible for their 7-year suffering, bear the harshest consequences of the politically untenable and inhuman quarreling among the leaderships of (not just) the Serbian LC, the Socialist Autonomous Province of Kosovo, but also the Socialist Autonomous Province of Vojvodina. In such a situation, parts of the LC, its organs, and its leaderships can in the long term count exclusively on compromising their own policy and authority because their own disagreements, contradictions, and even diametrically opposed stances broadly and deeply undermine class unity; constantly constructing anew the national-bureaucratic "nests" from which nationalists of all hues and convictions are fed with cuckoo's eggs—most often "without ulterior motives." All this is done at the expense of those deprived of their rights: the oppressed and the insulted at the expense of their troubles and sufferings; but on behalf of the "concept" of interference and noninterference, authoritarianism, and untouchability of groups and individuals who would most happily reduce the democracy and policy of the LC to mere demonstrations and pressures, or even to quickly conceived plans for the extraordinary saving of electrical energy and water while refusing any dialogue with (the obviously uninvited) "guests." Such a policy (!) in Yugoslavia, the self-managing community of equal peoples and nationalities, should not be accepted.

Therefore, it is in fact possible to see yesterday's assessments and stances of the LCY Central Committee Presidium as its own type of refreshment in the middle of a (too) hot political summer. In essence, they (the assessments and stances) have a chance of being a good foundation for the construction of an effective ideological, political, and social barrier which would not yield to assaults by basically antisocial phenomena and behavior. Only such a barrier can be the guarantee of a more effective and long-term stabilization of conditions in Kosovo.

Serbian Writers Protest Detention in Pancevo
LD2807194888 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1423 GMT 28 Jul 88

[Text] Belgrade, 28 Jul (TANJUG)—The administrative board of the Serbian Writers' Association has protested the detention of Dusan Vlakovic, the association's secretary, by the Pancevo Internal Affairs Secretariat on the eve of the visit by a group of Serbs and Montenegrins from Kosovo on 22 July. A statement of protest says,

inter alia, that "just as the public expected the 'secretaries' who ordered that the citizens from Kosovo should produce their identity documents and that they should be given no drinks or electricity for the loudspeakers to be called to account, an innocent person, the secretary of the Serbian Writers' Association, was being detained." Dusan Vlakovic, the statement goes on to say, lives in Pancevo.

Novi Sad Daily Views Pancevo Protest
AU2707210888 Novi Sad DNEVNIK in Serbo-Croatian
25 Jul 88 p 5

[Nikola Cvetkovic commentary: "The Pancevo Event"]

[Text] All is well that ends well, say the people in appraising their vast experience. Saturday's [July 23] event in Pancevo ended "without incident" or "like every other gathering of the people," whether this involves a fair or the festive marking of some important date in history. Contemplating the different elements of the event, journalists differed in their appraisal of whether this was more a show of support than a show of protest, in the same way that they saw the number of gathered citizens differently: Belgrade newspaper reporters saw double of everything, so they published the figure of 10,000! This means that everything is well! However, the question is, whether the aforementioned saying totally applies this time, as several questions remain which will probably have to be answered during the next few days, and one should not doubt that different explanations will be given.

There is, above all, the question of whether someone manipulated the event? Whom did they manipulate? Was there any manipulation at all? The leaflet which was put into the letterboxes of the Pancevo people by "unknowns," was simply brimming over with accusations, insults, and curses at the expense of individuals in the Vojvodina leadership. However, it cannot really be said that Pancevo's inhabitants did not go out onto the streets because of it. They were attracted also by a lot of other things, from the desire to participate in or at least see an event which was truly unusual for the monotonous daily life of an industrial town, to the desire to express their concern over the state of affairs in Kosovo, but also in the whole country. This is because even the ordinary man has realized that he cannot live peacefully anywhere if someone elsewhere in Yugoslavia has no peace, or if someone enjoys advantages or has difficulties simply because he belongs to one or another nation.... On Saturday, the Pancevo signwriter Janos Leban told journalists that he supports the proposed constitutional changes, because they will bring brotherhood and unity.... It is understandable that people will seek changes if their lives are not going well.

It would also be natural for people to know what sort of changes they want and to say this clearly, and for their voice to carry weight when these are decided.... It is also true that this word is spoken, among other things, at

meetings and in slogans. The only thing is whether now is the time for these slogans and meetings to clear the paths of the further development of the Yugoslav society and state. It was said recently in the LCY Central Committee Presidium that there is no time for this. For example, the cry from Pancevo's streets "We want a united Serbia without artificial borders" is the unanimous, sincere demand of all honest people. However, the question is whether all of them are in agreement to the same extent in thinking on how that unity should look, and how to construct and preserve it. At a meeting, in the general loud fervor of the basic idea, how does the tradesman Janos explain everything that he is really thinking? What are the conditions for a calm, reasoned discussion, including the recognition of all legitimate interests and full mutual respect? Only a discussion whose deciding value is the presented facts, and not the volume of the voices that present them can be thought of as really democratic.

Regardless of the fact that the "guests" and "hosts" were more or less satisfied with the course and outcome of Pancevo's political Saturday, they did what they had to do in the circumstances, but everything could have been even worse! It seems that both are somewhat inclined to ignore the so-called unacceptable extreme, that is, nationalist declarations, (considering them as few in number and without particular influence), however, the basic fact remains: At first sight, the demand of the LCY Central Committee Presidium that Kosovo people not gather, was respected. However, a meeting was held and even more oil was poured onto the fire, so therefore the stance of the LCY Central Committee Presidium was essentially not totally upheld. Should one conclude that pure chance manipulated the Kosovo and the Pancevo people, together with the other Vojvodina people, as well as the stance of the LCY Central Committee Presidium?

Kosovo Polje SAWP on Forming New Commune
AU2707104988 *Pristina RILINDJA in Albanian*
24 Jul 88 p 3

[R. Demiri report: "A Commune Helping To Prevent Emigration"]

[Excerpts] Yesterday's meeting of the Kosovo Polje 17th Local Community SAWP Conference, chaired by its Sreten Martinovic, president, and in which Slobodan Jankovic, secretary of the Pristina SAWP Presidium, and other representatives of communal bodies and institutions also took part, considered certain topical ideopolitical issues and local problems within the commune. [passage omitted]

Sreten Martinovic concluded by discussing the trip of Serbs and Montenegrins to Novi Sad, and said that the accusation that they went to Novi Sad in order to destabilize Vojvodina is baseless. We agree with the view that the refusal of the Vojvodina leadership to talk to the assembled Kosovars was a thoughtless and irresponsible step. The demands of the inhabitants of Kosovo Polje at

their protest gatherings and legal meetings have been for faster and more effective measures to prevent the emigration of Serbs and Montenegrins from Kosovo. Similarly, the inhabitants of Kosovo Polje are committed to the earliest possible enactment of the constitutional changes and economic and social reforms, and to the SR of Serbia having all the authority of a state throughout its territory, as do other republics. Sreten Martinovic said in conclusion that we welcome the determined course of the Serbian leadership and the Serbian LC Central Committee in pursuing their policies, and we particularly welcome and give our total support to what Slobodan Milosevic said at the meeting of the Serbian LC Central Committee Presidium meeting the evening before last.

Parity, Not Favoring the Majority [majorizim]?! [subhead]

Veselin Maslovacic, the first speaker in the discussion, said that if we wait a few more years for concrete action to stop Serbian and Montenegrin emigration, there will be no more problems and there will be no more gatherings, because there will be nobody left to take part in them. This speaker said that somebody will indeed turn Serbia into "Belgrade's fiefdom" [pashallek], as Dragoslav Markovic put it. He asked the question: "If Serbia is a state, why does it have three constitutions?" He concluded by saying that Serbia has the attributes of a state, but the provinces do not, and those aspects of Serbia that imitate federalism should be eliminated. Gjoko Simic proposed that the leadership of the forthcoming new commune [Kosovo Polje] should be comprised of people who have been politically trained in the area. He denounced the arrival of Albanian families to live in the district because this is against the law. Zika Mitrovic said that the SR of Serbia and its leadership upset some people, merely because they are presenting the situation as it is, but we must say frankly that we are upset by armchair officials and bureaucrats. If progress is to be achieved, the mistakes that have been made must be rectified. Otherwise we will all feel the consequences throughout Yugoslavia.

All the participants in the discussion, which included Zoran Mirkovic, Sreten Martinovic, Zivojin Martinovic, Radovan Delibasic, Dobrica Lazic, Vlastimir Mitrovic, Bosko Budimirovic, Boro Dzeletovic, Aleksandar Jovanovic, Novica Mirkovic, Kosta Bulatovic, and so forth, demanded that if the new commune of Kosovo Polje is formed, its purpose should be to prevent Serbian and Montenegrin emigration and to encourage the return of those who wish to come to the district. In order to achieve this aim, neither standards, regulations, nor laws should be obstacles, because these must be subject to continual adjustment. Even though criteria exist for deciding the national composition, there were demands that these should not be observed. It was demanded that the coming elections should be held on the basis of parity, and not according to past practice. Parity, according to Zoran Mirkovic, ensures equality, and secures for the Serbs and Montenegrins that the majority is not

avored. Bosko Budimirovic demanded that the commune should be created with the task of halting emigration. However, he said, no Albanians should be put in leading positions, because none of them have yet agreed that the emigration of Serbs and Montenegrins is continuing because of duress. Boro Dzeletovic said that "Kosovo is the cradle of Serbian culture, history, and its material heritage; and if we lose Kosovo, we will lose all these things too." This speaker supported the exercise of authority by Serbia throughout its territory. Bogdan Kecman advocated the transfer of the leading cadres of the present commune of Pristina to the wards of the city, because, as he put it, this would ensure the continuation of the struggle to enforce the party standpoints against nationalism and against the 1981 counterrevolution. He also demanded and was supported unanimously by those present, that responsible positions in the future commune should be shared out on the basis of parity, so that a third would be for Albanians, a third for Serbs, a sixth for Montenegrins, and a sixth for others. The composition is regulated by law, but Kecman said that people make laws and laws need continual adjustment. [passage omitted]

FEC Economic Reform Commission Holds Session
LD2807215888 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1342 Gmt 28 Jul 88

[Excerpts] Belgrade, 28 Jul (TANJUG)—The Federal Executive Council's Commission for the Reform of the Economic System has suggested the adoption of a law on the self-managing firm which in future should be the basic subject in economic operations and the mainstay of the country's development. The law on the self-managing firm would apply in the economic sector. Since a hospital and a foundry cannot be organized in the same self-managing manner, special regulations would be worked out for the noneconomic sector after a thorough analysis. It was suggested at the commission's session today (presided over by Branko Mikulic) that special laws should be applied to regulate the cooperative sector, labor relations, and shareholding if the idea is accepted. [passage omitted]

Taking part in the session Branko Mikulic noted that generalizations should be abandoned in the work on formulating guidelines and that it should be left to the workers freely to select the most suitable form of organization. For, if the employees so decide, both the collective employing 50 and the one employing 30,000 workers could be an independent economic subject since the form of organization is not the factor guaranteeing self-managing rights. There is no doubt that the advocates of generalization will fight back. In addition, the law could be hampered by strong group-ownership tendencies especially in the areas with firm territorial organization.

Like the majority of the commission's members, Mikulic is also of the view that it was in the interest of self-management, and management in collectives, to precisely define their spheres of competence. In reference to

the duration of the mandate for management organs—the prevalent view in the discussion was that 1 year was too short but that "eternal" mandates were also to be avoided—the president of the Federal Executive Council, who is also the commission's chairman, stressed that the management of commercially successful firms would have no problem in maintaining the trust of the employees. The problem, however, is what to do with the management in unsuccessful organizations.

The importance of separating self-managing and managing functions was stressed by Dusan Ckrebic who noted that no one had so far been called to account for bad investment and commercial failures. The duration of a management function should be limited with, however, a possibility of renewing it if the firm is successful. [passage omitted]

Workers councils in collectives under pressure from market competition should be allowed to select the management independently. The issue was however raised of what to do about the selection of leaderships in organizations of wider social interest. Their work cannot be evaluated by using total income, earnings, and number of employees as criteria but by the importance of their activity for both the economy and the population as a whole, Milos Milosavljevic noted. Even those who take on the responsibility for the functioning of these organizations (sociopolitical communities) should participate in the decision-making process of electing the leadership. A similar view on this is held by Radivoje Brajovic. He suggested that it would probably be more useful if the FEC was to prepare the law on the self-managing firm. Mikulic noted that the SFRY Assembly is shortly expected to pass a decision entrusting the Assembly's commission for the implementation of the law on associated labor with the task. A working group of experts of the Commission for Reform would also join it in its work.

The guidelines for changes in the system and policy of taxation and contributions recommend a further analysis of these issues and reexamination of the nature and character of self-managing communities of interests and of the fiscal and nonfiscal character of contributions. The results of the analysis would be used for drafting laws or contracts on the uniform foundations for the system and policy of contributions.

Zemljarij Reports on Financial Situation
LD2807201788 Belgrade TANJUG in English
1540 GMT 28 Jul 88

[Text] Belgrade, Jul 28 (TANJUG)—The overall turnover on the Yugoslav foreign currency market in the period between May 30 and July 25 this year stood at one billion 764 million dollars, which equals the amount paid for foreign debts which were due, Yugoslav Vice-Premier Janez Zemljarij said in an economic debate in the assembly of Yugoslavia today.

Yugoslavia's foreign currency reserves have reached 796 million dollars.

Zemljarić informed the assembly delegates talks with the World Bank have ended on a 120 million dollar credit for the Yugoslav economy's new export programmes and other projects.

Zemljarić also said that final negotiations with the World Bank on a second loan for the structural adjustment of the Yugoslav economy were reaching a close. This credit is worth between 300 and 350 million dollars. The Yugoslav economy would receive 150 million dollars of the total sum by the end of the year.

He further said that an agreement has been initialled with the Soviet Union on participation in the reconstruction and construction of 250 investment projects in Yugoslavia worth 560 million dollars.

To Secure Foreign Currency

*LD2807202088 Belgrade TANJUG in English
1553 GMT 28 Jul 88*

[Text] Belgrade, Jul 28 (TANJUG)—Vice-President of the Yugoslav Government Janez Zemljarić today told Federal Republic Assembly delegates that an appreciable amount of dinar and foreign currency for the construction of highways would be secured this year. He said that 50 major production programs would be started after a conversion of part of Yugoslavia's foreign debt into dinars this year.

Zemljarić said that 250 enterprises would take part in the said projects aimed at launching an important program of mastering new technologies and products within the framework of the strategy of technological development.

Zemljarić also indicated that conditions would be improved for a quicker development of small-scale economy and that preparations were underway for the reconstruction and modernization of the Yugoslav railway transport.

Zemljarić said that a gradual elimination of Yugoslavia's trade surplus with certain East European and developing countries would increase possibilities for the country to import production and raw materials necessary for the domestic economy.

He told the delegates that Yugoslavia's total export from the beginning of the year until July 25 increased by 14.4 percent and that Yugoslavia's export to the hard currency markets increased by 18.2 percent in the period.

Zemljarić underscored that Yugoslavia would continue its policy of the dinar's real rate of exchange in relation to the world currencies.

The Yugoslav money exchange offices purchased 762 million dollars from the beginning of the year until July 26. Zemljarić enumerated the favorable results and added that the implementation of the program of foreign support in new credits would secure 1.2 billion dollars this year.

He said that these means were first of all intended for strengthening solvency, foreign currency reserves and the development needs of the domestic needs of the domestic economy according to the program of consolidating Yugoslavia's foreign debts.

Federal Budget Up 1.35 Trillion Dinars

*LD2807193788 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1857 GMT 28 Jul 88*

[Text] Belgrade, 28 Jul (TANJUG)—The Chamber of the Republics and Provinces of the SFRY Assembly this evening endorsed an increase in the federal budget. The budget now amounts to 7.01 trillion dinars, a 133 percent increase in its volume in comparison with the last year's.

According to Federal Finance Secretary Svetozar Rikanović, the federal budget is being increased to bring it in line with the latest estimates for the social product and national income. However, federal expenditure will decline in real terms.

The increase of 1.35 trillion dinars will be covered by the federation's income resources and partly from contributions by the republics and provinces, which are also being reduced in real terms.

The readjustment will not entail any new taxation on the economy and will, in fact, mean a certain reduction in the existing taxation, Rikanović said. He stressed that there will be no more changes to the budget this year.

Agrokomerc's Misdeed Reported to Assembly

*AU2807145188 Belgrade BORBA in Serbo-Croatian
26 Jul 88 p 3*

[TANJUG report: "Everything Was Known on 14 April 1987"]

[Text] Belgrade, 25 Jul (TANJUG)—In accordance with the conclusion of the FEC, the statement of the Federal Secretariat for Internal Affairs on Agrokomerc's raid on the country's financial system arrived at the SFRY Assembly today. In fact, the Secretariat for Internal Affairs had already informed members of the SFRY Presidency, the LCY Central Committee Presidium, the Federal Council for the Protection of Constitutional Order, and the vice presidents of the FEC, as early as 14 April last year.

The report, under the heading "Agrokomerc Composite Organization of Associated Labor, by Sending Bogus Telex Orders from Velika Kladusa, Obtained Major,

Illegal Financial Benefits," asserts that the Security Services of the Bosnia and Hercegovina Republican Secretariat for Internal Affairs discovered the fact that Agrokomerc gained illegal material benefits for itself by sending bogus telex orders in the names of the Social Accounting Service from Pristina, Belgrade, and Novi Sad. Facts have shown that a raid on the financial system of the country was carried out and that this represented an issue of money, which is the exclusive right of the Yugoslav National Bank.

It has been claimed that this assault on the financial system was carried out in an organized way, between 29 December 1986 and 30 January 1987 five bogus telex orders were made totaling 15.5 billion dinars. The Social Accounting Service branch in Velika Kladusa transferred the sums to the Agrokomerc checking account, unaware that it was a matter of false bills.

The assembly was also informed of the report of Branko Mikulic, president of the FEC, concerning the steps taken by the president and vice presidents upon learning of the issue of bogus telex orders to the benefit of Agrokomerc. Immediately after receiving the information, the president of the FEC with the support of the vice presidents spoke with Dimitrije Tasic, general director of the Yugoslav Social Accounting Service. He demanded that the inspectors of the Yugoslav Social Accounting Service conduct an inquiry into Agrokomerc and that urgent measures be taken to discover whether there were other possible cases in Yugoslavia of obtaining funds by issuing false telex orders. Together with the inspectors of the Bosnia and Hercegovina Social Accounting Service, this inquiry was carried out and criminal reports were filed.

Attacks on Army Increasing in Frequency
LD2807215188 Belgrade TANJUG in English
2100 GMT 28 Jul 88

[Text] Belgrade, Jul 28 (TANJUG)—Verbal, written and even physical attacks on the Yugoslav People's Army (JNA) have become increasingly frequent in Yugoslavia over the past few years, the Federal Defence Secretariat announced.

In answer to a Federal Assembly delegate's question, read out at today's session of one of the assembly chambers, the secretariat said 378 persons acting against the Armed Forces had been registered in the first half of this year, an increase of over 100 percent compared to last year.

Several cities and towns in Serbia, Croatia and Slovenia were pointed out as the sites of incidents including Belgrade, Zagreb and Ljubljana. The incidents were caused mainly by nationalists.

Attacks on the Army range from verbal and written propaganda (with focus on ill-intentioned writing by some of the press in Slovenia and Croatia) to physical assaults on Army members (25 in the first half of the year) the Defence Secretariat report said.

The report pointed out "attempts of illegal group activity in the Army and subversive-terrorist acts" as an extremely dangerous form of enemy activity.

It said that the activities of eight illegal groups acting from the position of Albanian separatism had been stopped this year. Individuals in the groups, directed from the country and from abroad, attempted or planned the acts.

The report said the members of the groups were mainly soldiers who had been members of illegal groups linked with the Albanian enemy emigration before coming to the army.

The report pointed out that there were some who called the army to carry out a coup because, allegedly, it is the only one capable of solving the crisis in the country.

In that context, the report characterised the rumors which circled Slovenia in May of alleged preparations for a coup in the republic as political intrigue and untruth.

Bosnia-Hercegovina LC Membership Falling
LD2807201888 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1411 GMT 28 Jul 88

[Text] Sarajevo, 28 Jul (TANJUG)—A declining LC membership in Bosnia-Hercegovina, especially among workers and young people, is one of the main factors and indicators of the weakening of the action and political ability of the LC to give replies to the most urgent questions and problems of the present stage of social development. This was stated by Zivko Grubor, member of the LC Central Committee Presidium of Bosnia-Hercegovina, in his introductory report at today's plenum on trends in the class-social structure of the LC of Bosnia-Hercegovina.

Dizdarevic Arrives in Nigeria on Visit
LD2807172988 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1630 GMT 28 Jul 88

[Text] Lagos, 28 Jul (TANJUG)—Raif Dizdarevic, president of the SFRY Presidency, arrived this afternoon on an official friendly visit to Nigeria at the invitation of President Ibrahim Babangida. This is the first foreign visit by Raif Dizdarevic since he assumed the duty of president of the SFRY Presidency 2 months ago.

During the formal welcoming ceremony for the Yugoslav delegation, Presidents Dizdarevic and Babangida mutually expressed the conviction that their meeting and talks will encourage the development and enrichment of cooperation between the two countries on both bilateral and

international levels. The Yugoslav delegation was given a truly friendly welcome in the capital of Nigeria, the largest African country by population-standards. Along the entire road from the Murtala Muhammad Airport to Lagos, the photos of the two presidents and placards were displayed with inscriptions: "Long live friendship between Yugoslavia and Nigeria."

The welcoming ceremony was held outside the state home of the Nigerian president in the center of Lagos where the head of the state receives the highest-ranking guests. Presidents Dizdarevic and Babangida had a brief tete-a-tete meeting shortly after the welcoming ceremony. Official Yugoslav-Nigerian talks will open this evening.

Meets Nigerian President

LD2907053888 Belgrade TANJUG in English
0007 GMT 29 Jul 88

["Pool item"]

[Text] Lagos, July 28 (TANJUG)—The two-and-a half hour conference between the president of the Yugoslav Presidency, Raif Dizdarevic and the Nigerian president, Ibrahim Babangida, held here tonight represented, in the words of the host, the "culmination of a series of inter-governmental contacts," conducted in the mutual desire to enrich the good political relationship with even more fruitful economic cooperation.

The desire of Yugoslavia to promote relations with the most populous country of Africa is entirely comprehensible, it was said in the meeting, because not only every fifth African is a Nigerian, but also because Nigeria is the most developed and richest African country besides being exceptionally politically committed and influential in the continent.

For its part, Nigeria is especially interested in diversifying cooperation with Yugoslavia, because it sees in it also a guarantee of its own consistent road within the framework of the Movement of Non-Alignment, said President Babingida at the ceremony welcoming the Yugoslav delegation. [sentence as received]

Dizdarevic's visit to Nigeria is his first official visit abroad since he took over the Yugoslav collective head of state two months ago. It is also the first visit to Nigeria by a Yugoslav president since Babingida became the country's president three years ago.

Simultaneously with the tete-a-tete conversation between the two presidents, the delegations of the two countries had a separate meeting concentrating on bilateral relations, especially on the prospect of further promoting cooperation, above all in the economic sphere.

An announcement released late tonight said the two sides noted that the present level of cooperation calls on both countries to make efforts and to take concrete steps to intensify cooperation in order to make it even more diverse and extensive.

Last year, the value of Yugoslav-Nigerian commodity trade mounted to just over 26 million dollars, and the two sides said that the two countries' possibilities and requirements are much greater than that.

During the meeting with Dizdarevic, President Babangida stressed that Nigeria attaches special significance to the promotion of relations with Yugoslavia, because the very good political relations of the two countries, he stressed, represent a "really favourable framework and foundation for even wider economic relations and richer cooperation."

Regarding Nigeria's development plans, General Babangida said that the experiences of a friendly country such as Yugoslavia are highly valuable. It is for this reason that Nigeria wishes to improve its relations with Yugoslavia, Babangida said.

During the interchange of views on international issues, the two sides spent the most time on the developments in Africa, particularly on the new situation in the south of the continent.

The Movement of Non-Alignment, it was said, must orient itself towards more contemporary and effective methods of action in order to continue being the bearer and initiator of positive changes and progressive solutions of problems in international relations.

The two sides pointed out that the non-aligned should devote more effort to the resolution of the development problems of developing countries.

Yugoslavia and Nigeria assess that the Movement of Non-Alignment must become more dynamic in order to make its role in international affairs more prominent.